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Swiss Envoy to U.S. Quits Amid Uproar On Holocaust Gold

Washington Denounces His Call To 'Wage War' Over Jewish Claims

By William Drozdiak
Washington Post Service

Switzerland's ambassador to the United States resigned Monday amid an uproar over a confidential strategy paper he wrote urging his government to "wage war" against Jewish groups and others who had criticized Swiss failure to account for missing assets of Holocaust victims.

The document, excerpts of which appeared in a Zurich newspaper Sunday, labeled as "adversaries" such critics as the World Jewish Congress and a U.S. senator, Alfonse d'Amato, Republican of New York, who have accused the Swiss of hiding the extent of their financial collaboration with Nazi Germany and refusing to compensate Holocaust victims or their relatives with claims to dormant accounts in Swiss banks.

The publication of Mr. Jagmetti's remarks dealt another heavy blow to the integrity of the Swiss government and again called into question its credibility and its willingness to ascertain the fate of the missing accounts.

The Swiss Foreign Ministry released Mr. Jagmetti's resignation letter, in which he said, "I no longer find it appropriate to continue my activity as ambassador in this country."

Mr. Jagmetti, 64, had been scheduled to retire in the summer. He had served as a diplomat for more than three decades and was considered one of his country's most polished and experienced envoys.

The United States denounced the ambassador's call for an aggressive public-relations campaign against American Jewish groups and others who had been demanding compensation for the missing assets of Holocaust victims.

"If it's true the Swiss ambassador made these remarks, it betrays a fundamental lack of understanding for the commitment the United States government has to its own citizens

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Susan Toren/The Associated Press

HOMECOMING — Natan Sharansky accompanying his mother, Ida Milgrom, off a plane at Moscow's airport Monday, 10 years after he was freed from prison. The former dissident, now an Israeli cabinet minister, returned for trade talks. Page 6.

EU Tensions Flare Over Call to Make Taxes More Uniform

Bonn and Paris Seek to End 'Unfair Competition' on Rates

By Tom Buerkle
International Herald Tribune

BRUSSELS — Tensions over Europe's planned single currency shifted from the central bank to taxes Monday as Germany and France called for more uniform tax rates across the European Union to prevent countries such as Luxembourg and Ireland from luring jobs and potential economic growth away from other EU members through fiscal incentives.

Finance Minister Theo Waigel of Germany opened the campaign at a meeting of finance ministers here, saying moves by banks and companies to take advantage of lower taxes elsewhere in Europe were siphoning off German tax revenue and making it more difficult for the German government to meet the economic criteria for a single European currency.

The point was underscored by reports of an upward revision in the German government's deficit forecast for this year to 2.9 percent of gross domestic product, just under the single-currency ceiling of 3 percent. (Page 11)

"We want and need competition between the various tax systems in Europe, but priority must be given to measures to prevent unfair competition," Mr. Waigel said.

His call was quickly taken up by France, Italy and Belgium. In a comment that evoked past French complaints about so-called competitive exchange-rate devaluations and "social dumping" within Europe, Finance Minister Jean Arthuis of France asserted that "unfair competition" on tax rates and labor regulations was promoting dangerous divisions.

"Europe cannot survive with such practices," Mr. Arthuis said.

Ministers from Luxembourg and Ireland sought to deflect the pressure, saying the Union needed to coordinate a range of economic policies to support monetary union rather than focusing narrowly on items such as corporate taxes and a withholding tax on savings.

Luxembourg has developed a huge offshore banking industry, luring more than 1 trillion Deutsche marks ($612 billion) of savings from Germany because it imposes no withholding tax. Ireland used a cut-rate 10 percent tax for multinational companies to attract the most U.S. investment of any EU country last year.

The practical impact of the French-German calls appeared to have been blunted by the insistence of Mr. Waigel and Mr. Arthuis that any move toward uniform tax regimes had to be approved unanimously by all 15 EU members, a requirement that has paralyzed efforts at tax harmonization in the past. Mr. Arthuis suggested that governments adopt a "code of good conduct," while Mr. Waigel said he would present proposals for common ground rules on taxation next month.

The two ministers also rejected the possibility that countries adopting the euro, the planned common EU currency, in 1999 might harmonize tax rates, using a French-German proposal to allow some EU countries to deepen integration on their own. Mr. Waigel said that

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3 Firms Shift Executives as Volvo Chief Leaves Post

By Youssef M. Ibrahim
New York Times Service

LONDON — Volvo AB on Monday announced the surprise departure of its chief executive, Soeren Gyll, setting off a three-company executive shake-up and prompting speculation that the Swedish automaker may renew its search for an international partner.

Mr. Gyll, 58, has played a major role in restructuring Volvo, shedding some of its divisions over the last four years to focus on the manufacture of cars, trucks and building equipment. Both the company and Mr. Gyll said the departure was amicable, although it came a year earlier than expected.

Analysts said the company may now be looking for ways to increase its sales, possibly by linking up with another company, after having restructured its business. Four years ago, Volvo tried to merge with Renault SA of France, but the deal fell through.

"Volvo could go it alone, but I think there is a 25 percent chance they may take on a partner," said John Lawson, an analyst with Salomon Brothers Inc. in London.

Volvo said Mr. Gyll would stay on the board, a move that assures some continuity for his policies. During his watch, Mr. Gyll sold off nearly $5 billion worth of unrelated automobile product lines that Volvo used to make.

He will be replaced at Volvo by Leif Johansson, 45, currently chief executive of Electrolux AB, Europe's largest household appliance maker, which in turn is getting Michael Treschow, currently managing director of Atlas Copco AB, as its new chief executive.

Both Electrolux and Copco are companies in which the powerful Wallenberg dynasty of Sweden hold substantial interests. The family owns half of Electrolux and 20 percent of Copco but has no substantial holdings in Volvo.

Mr. Gyll said the Volvo group now

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Dollar's Surge: Too Much of a Good Thing?

By David E. Sanger
New York Times Service

WASHINGTON — Almost every day for the past two years, Treasury Secretary Robert Rubin has repeated the same line whenever he was asked about the U.S. currency. "A strong dollar," Mr. Rubin would repeat, almost mantralike, "is in the interest of the United States."

Now some people are wondering whether Mr. Rubin's unrelenting support for the dollar has been a bit too unrelenting.

The dollar has soared in recent weeks, touching 119.575 yen on Monday. That puts the currency up about 50 percent from its low of just under 80 yen reached in April 1995, and many analysts, after repeatedly predicting that the dollar would soon start to weaken, now expect the rise to continue for at least a while longer. The dollar has not been this strong against the yen for nearly four years.

The dollar has also risen steadily against the Deutsche mark, the most important European currency, reaching a 31-month high of 1.6473 DM Monday, up about 7 percent this year.

The low for the dollar two years ago created the first test of wills between Mr. Rubin and the currency markets. Mr. Rubin won.

But in world finance, there is no such thing as pure victory; so even while President Bill Clinton's administration declares the rise of the dollar a long-delayed vote of confidence in America's renewed economic strength, Mr. Rubin finds himself under attack by two groups who usually agree on almost nothing: Japanese officials and U.S. automakers.

Japanese officials say they are appalled by the pace at which the dollar has soared, even though it makes their goods far more competitive around the world. They see the flight to the dollar as worrisome evidence that investors around the world are giving up on Japan, concluding that the country may be hopelessly mired in its economic troubles for some time.

In search of high returns, investors are heading to the United States, figuring that its markets are a better bet than Japan or Europe.

So while Mr. Rubin has been repeating his standard fare, his counterpart in Japan, Finance Minister Hiroshi Mitsuzuka, has sounded a different theme. "The yen's excessive fall against the dollar is undesirable," he said last week in Tokyo.

For once, Mr. Mitsuzuka has many allies in Detroit. The U.S. automakers have been warning Mr. Clinton's administration of a host of disasters in the offing: a revival of the trade deficit with Japan, a loss of all the ground that U.S. automakers have made up against Japanese competitors and perhaps a round of "cost-cutting measures" — a veiled warning of layoffs.

Without question, the weak yen has enabled Japanese carmakers to keep their prices stable or even to

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Doug Mills/The Associated Press

Mike Holmgren, coach of the Green Bay Packers, being carried off the football field by his players after they defeated the New England Patriots, 35-21, on Sunday in the Super Bowl.

Titletown U.S.A., aka Green Bay

Victory in Super Bowl Reinflates Fans From Wisconsin

By David Maraniss
Washington Post Service

NEW ORLEANS — When the clock ticked down to zero in the din of the Superdome, Mike Holmgren was lifted onto the shoulders of his Green Bay players and carried triumphantly out to midfield to accept the shining trophy named in honor of his legendary predecessor. With Green Bay's convincing 35-21 victory over New England in Super Bowl XXXI, the Lombardi Trophy is homeward bound, headed back to the smallest city in major league sports, which can now reclaim its proud nickname: Titletown U.S.A.

After accepting the symbol from Paul Tagliabue, the commissioner of the National Football League, who said that the modern-day Packers reminded him "of the great Lombardi teams," Holmgren passed it along to Reggie White.

White is the Packers' proud warrior and spiritual leader, whose arrival in Green Bay and extraordinary bond with the fans there most clearly symbolized this team's return to glory.

The defensive end held the trophy high, tears streaming down his cheeks, and ran from midfield toward the stands to show it to waves of delirious Packer loyalists. Three decades of Packers mediocrity suddenly seemed long gone and forgotten.

Now White and quarterback Brett Favre and Desmond Howard, who earned the game's award as most valuable player with his spectacular returns, including a 99-yard kickoff return for a touchdown, seemed part of the green-and-gold legend.

They were modern-day counterparts of Bart Starr and Ray Nitschke and Wilbur Wood and other ghosts of the glory years, many of whom entered the Packers' locker room later Sunday night to help celebrate the victory.

With the loss, New England recedes once again into the list of also-rans.

The Patriots have played in two Super Bowls and lost them both.

Along with the game, they also apparently lost their coach, the veteran Bill Parcells, who is said to be leaving for the New York Jets.

"I talked to them about the game and what happened in the game and some of the reasons why you lose a game like this," Parcells said, sounding

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U.S. Chastises Germany on Scientology

By Thomas W. Lippman
Washington Post Service

WASHINGTON — The State Department's annual survey of human rights conditions around the world will contain expanded, toughened language criticizing Germany for restrictions on the Church of Scientology and its members, according to Clinton administration officials.

The report, to be issued Wednesday, will chastise Germany for what a senior U.S. official called "a campaign of harassment and intimidation" against the church. He said that the United States, seeking to protect religious freedom, had urged Germany through diplomatic channels "not to prosecute people for wrong thinking" but had been rebuffed.

The German response is, "We won't change our policy, no matter what you say," a German diplomat in Washington said. "You are a big country. You can afford to have militias and cults. We can't."

He said that Germany, with 80 million people and a unique sensitivity to the dangers of extremism because of its Nazi past, is obliged to limit activities of groups perceived as threats to national well-being.

The U.S.-German disagreement over Scientology is a rare irritant in America's generally excellent relations with a key European ally.

Although the language was noticeably sharper this year, the human rights report has noted the German position on the Scientologists every year since 1993.

While both sides agree that it is

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Great Britain	£ 0.90	Saudi Arabia	10.00 R.
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Kenya	K. SH. 150	U.S. Mil. (Eur.)	$ 1.20
Kuwait	600 Fils	Zimbabwe	Zim$30.00

The Dollar

New York	Monday close	previous close
DM	1.6473	1.6296
Pound	1.6222	1.629
Yen	119.575	118.90
FF	5.5473	5.4965

The Dow

	Monday close	previous close
-35.79	6660.69	6696.48

S&P 500

change	Monday close	previous close
-5.5	765.02	770.52

Ivan Milutinovic/Reuters

WHISTLEBLOWERS — Protesters in Belgrade as the opposition lost a court battle Monday for political control of the city. Page 5.

AGENDA

A Defeat for U.K. Conservatives

LONDON (Reuters) — Britain's Conservative government was defeated in the House of Commons on Monday, 273 to 272, when members of Parliament voted against a change to a bill on education.

The opposition Labour Party said its victory over an amendment to the Education Bill showed how hard it would be for Prime Minister John Major to continue to hold power until a general election, which will probably be held on May 1 (Page 5).

The Labour deputy leader, John Prescott, said, "The government is in complete disarray."

U.S. Protests to Belgrade Over Use of Force

WASHINGTON (Reuters) — The United States protested to Yugo-slavia during the weekend over police use of force against opposition protesters, the State Department said Monday. The department said it was a violation of a pledge not to use force.

The administration also has concluded that the days of Slobodan Milosevic and Franjo Tudjman as presidents of Yugoslavia and Croatia [illegible] numbered, and has begun seeking [illegible] identify the next leaders. Page 5.

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Beijing's New Assault on Catholics

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Religious Repression / **Beijing Perceives Threat**

China Targets Catholics

By Patrick E. Tyler
New York Times Service

YUJIA, China — It was the day before Easter 1995, and they came on bicycle, horse cart and on foot, thousands of Roman Catholics from the underground church, and they climbed up into the pine forest on what is called Yujia Mountain, though it is scarcely a hill.

There, they chased away several troops who had never intruded in their place of worship before and who insisted that they were conducting training exercises essential to the national defense.

Then, the Catholics, more than 10,000 of them, began to pray. They filled the pine forest here with their song. The leaders set up a platform from which they read out the Scriptures, and the people danced and reveled in their community all the way up to the potent spiritual moment of the Easter sunrise.

Today, the leaders are in jail, charged with interfering with the military training exercise. Others are on the run. And a visit to this onetime hotbed of religious fervor is a somber thing.

Over the last two years, Yujia and dozens of other centers of underground religious activity in China have been the target of a crackdown by the Communist Party authorities, who see religion as a vehicle for political organization, dissent or outright opposition to the party's rule.

The harsh treatment of Catholics in China dates to the 1950s, when Mao's Communists expelled the last papal representative and set up the Catholic Patriotic Association, an official church under Communist control. Driven underground, the unofficial Roman Catholic Church received a broad mandate from the Vatican to persevere by ordaining its own bishops and adapting the liturgy to local conditions.

When China emerged from the Maoist period, some churches reopened and religious tolerance expanded during the 1980s, with Beijing seeking to lure more religious believers into the government-supervised religious organizations.

But without a reconciliation with the Vatican, millions of Catholics remain underground, where some local governments have tolerated them. Still, they are subject to periodic assaults ordered by central authorities.

The first clues that repression hangs as heavy as the winter haze over this village in Jiangxi Province, in southern China, are the wall slogans that the police have painted in recent weeks:

"Catholics are not allowed to engage in illegal propagation activities."

"Catholics are not allowed to go to other areas and establish networks."

"Get rid of all illegal religious gatherings and activities."

To enter this village as a stranger is to set off alarm bells. The villagers know that strangers have been sent to live here as spies against their neighbors, and to report to the Public Security police station any violation of the harsh rules.

"The government is afraid that if we practice our religion, this will be harmful to security," Zou Chunxiang, 56, said as her neighbors crowded around her. "The government is afraid we will conspire with foreign countries and overthrow the state."

Some of her neighbors giggle at such a prospect, but Miss Zou is silent because all of the men in her family are either in jail or on the run for practicing their faith.

THE new wave of religious repression in China seems in largest measure the product of President Jiang Zemin's policy to shore up the "socialist spiritual civilization" of a population that pays as little attention as it can to central authority.

Beginning in 1994, Mr. Jiang began to preach to the party faithful that "social stability" is of paramount importance to the party's survival. Therefore, it must be preserved at all costs, even if that means slowing the pace of Deng Xiaoping's economic reforms, reimposing price controls when they are needed and crushing political and religious groups whose activities could serve as a vehicle to challenge the government's legitimacy.

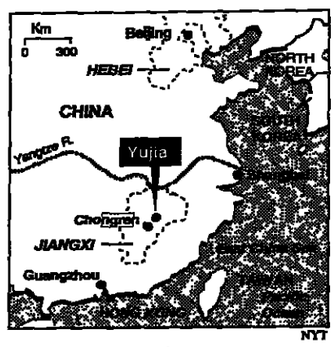
To bend religion to the interests of the state, Communist Party strategists have devised plans to ban house churches, arrest religious leaders, register church members and use military means if necessary to block their unregistered gathering places.

The most recent phase of the crackdown began here in November, when the police started arresting underground organizers to prevent them from holding a Christmas celebration on this modest mountain. Up until 1995, Catholics from all parts of Jiangxi traveled here four times a year to pray.

The Cardinal Kung Foundation in Stamford, Connecticut, an advocacy group named for the Chinese prelate Cardinal Ignatius Kung, whose Chinese name is Gong Pinmei and who spent 32 years in prison before his release in 1988, estimates that 80 people were detained in this area.

A copy of an action plan to "destroy the organization of the Catholic underground forces" around Yujia was obtained by local Catholics and smuggled out of China. It was published by the foundation this month.

Patrick E. Tyler/The New York Times



NYT

Signs painted by the police in Yujia, a center of underground Catholic activity repressed by the Communist Party, which sees religion as a vehicle for political opposition.

Local Catholics said recently that many of their number were still in detention and that those released had been forced to pay stiff fines to the police, equal to half a year's income.

The great religious revival that began sweeping China two decades ago is coming under greater assault as a new generation of Communist Party leaders in Beijing fears the growth of its moral and spiritual power as the official creed of Marxism-Leninism declines.

"Nobody believes in communism as a transcendent, quasi-religious ideology anymore," said Richard Madsen, a sociologist at the University of California at San Diego who has completed a study of the underground Catholic Church in China. "In the past, many people did believe, and it motivated them to hard work and sometimes great self-sacrifice that gave a kind of moral legitimacy to the Communist state because it was a moral project to build the state — a religious project ultimately."

Now, he said, there is a "loss of meaning" and a "spiritual vacuum" for millions of Chinese who are turning to religion.

By some estimates, more people have joined Christian groups in recent years than have joined the Communist Party. Today, there are about 53 million party members, but an internal Communist Party document estimated in February 1996 that there were perhaps 70 million religious believers in China.

When the Communists took power in 1949, there were only a million Protestants in the country. Today there are an estimated 20 million, though the publicly acknowledged figure remains at 6.5 million. Government statistics say there are 4 million Catholics in China, but church organizations and Western academics say 8 million to 10 million is a more reliable estimate.

Whatever the number, it is growing, as is the threat that Communist Party leaders perceive.

"I think there is still a paranoia about the role the church played in Eastern Europe," said Mickey Spiegel, a research associate at Human Rights Watch in New York, referring to the support that the Catholic Church gave to the collapse of communism in Poland and elsewhere.

LAST spring, thousands of paramilitary police swept into the tiny enclave of Donglu in Hebei Province and destroyed a Marian shrine to which more than 100,000 underground Catholics had made pilgrimages the previous year.

The Chinese authorities have tried to keep foreign journalists from covering the current crackdown. A correspondent for The Washington Post was detained in 1995 for traveling to Donglu to witness an outdoor Mass for 10,000. He was later released.

The crackdown comes at a time when Beijing is locked in a contest with Taiwan to win the Vatican's diplomatic recognition.

But John Kamm, an American who has combined a business consultancy in China with human rights advocacy, has warned the Chinese that reconciliation with the Vatican will be "very, very difficult" if the "bishops and priests and laity of one community are continually subjected to beatings, to arbitrary detention" and "if their places of worship, their holy shrines are destroyed and their celebrations banned."

France Puts Works of Art Looted From Jews at 1,955

By Roger Cohen
New York Times Service

PARIS — France, pursuing its belated confrontation with its collaborationist past under Nazi occupation, has announced the formation of a committee to identify and find property stolen from Jewish families during World War II.

The committee, to be headed by a "prominent personality," is to report to the government before the end of the year on the value and current legal status of the property, which is believed to include many buildings owned by the city of Paris and close to 2,000 works of art in French museums.

A confidential report by the French Audit Office, dated Dec. 7, 1995, and revealed Monday by the newspaper Le Monde, found that 1,955 works of art stolen mainly from Jewish collectors during World War II were in French museums. The works included paintings or drawings by Courbet, Monet, Rodin, Renoir, Sisley, Picasso and Puvis de Chavannes.

The report described the unpublicized presence in the museums of these plundered works of art, and the evasive approach to them of French museum directors, as "troubling."

Under a law of July 22, 1941, the pro-Nazi Vichy government set as its objective the elimination of "all Jewish influence in the national economy." The seizure of property belonging to Jewish families in France followed. Of the 330,000 Jews living in France in 1941, about 75,000 were deported to Nazi death camps. Only 2,500 deportees returned.

The records of what happened to French Jews are contained in an estimated 5,500 boxes of documents now in the national archives and emanating from the Vichy government's General Department for Jewish Questions. Until now, the documents have been classified, but Alain Juppe, the prime minister, made it clear that the committee would have access to them.

Obfuscation and official sophistry long obscured the precise French role in the deportation and plundering of Jews during World War II. Presidents, including Francois Mitterrand, sought to distinguish between the collaborationist regime of Vichy and the French state.

But President Jacques Chirac put an end to this equivocation on July 16, 1995, declaring that "the criminal folly of the occupiers was seconded by the French, by the French state."

The decision to investigate the fate of Jewish property under Vichy is consistent with this changed attitude. Last week, France's highest court ordered Maurice Papon, 86, a former Vichy official, to stand trial for crimes against humanity. He is accused of ordering the arrest and deportation of 1,690 French Jews from 1942 to 1944.

The formation of the panel also appears to reflect an attempt to pre-empt the political storms that have engulfed Switzerland, Sweden and Portugal as their apparent concealment of Nazi gold and other plunder has been revealed, mainly under pressure from Jewish groups.

Henri Hajdenberg, the chairman of the representative council of Jewish institutions in France, said the committee's planned investigation was part of "a healthy process that consists in thinking that one cannot make peace with a past that remains fuzzy." He added that the claims of Jews in France were, in general, "not pecuniary, but moral."

Last October, the mayor of Paris announced the suspension of the sale of city-owned apartments after a book called "Private Domain" by a journalist named Brigitte Vital-Durand showed that some of the 1,389 apartments had been confiscated from Jewish families during the war.

At the end of the war, Jews who survived were sometimes able to recover their property or received indemnities from the French state. But when there were no obvious or immediate heirs, and no claims — as generally occurred when only young children survived — there appears to have been scant effort on the part of the state to restore property to its rightful owners.

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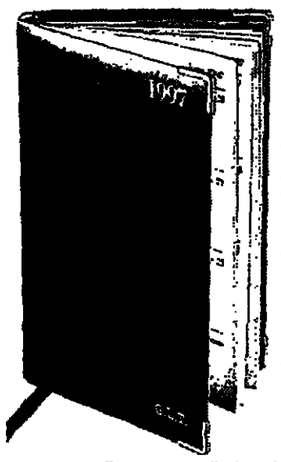

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Cuba Admits U.S. Law Damages Economy

By Douglas Farah
Washington Post Service

HAVANA — The government of President Fidel Castro, stung by the effects of U.S. legislation seeking to limit foreign investment here, is striking back with a law that allows Cubans to sue the United States for damages and helps investors hide their activities.

Cuban officials now concede that the Helms-Burton Act, a 10-month-old measure aimed at punishing foreign investors, has hurt the Cuban economy and slowed its growth. While no important companies have left, new investment has slowed.

The U.S. law strengthens and broadens the 34-year-old economic embargo against Cuba, denying visas to executives of companies that do business involving properties that were confiscated from U.S. companies here after the 1959 revolution.

The law, which is opposed by all major U.S. allies, includes a provision allowing Americans to sue those companies. But that part of the law has not yet taken effect, and on Jan. 3, President Bill Clinton suspended its implementation for the second time.

In part because of the law, Cuban officials say the economy, which last year showed its first serious signs of recovery since the collapse of the Soviet Union in 1991, will grow less than was hoped in 1997.

"The effects of Helms-Burton are real," said Carlos Fernandez de Cosio, a Foreign Ministry official who deals with U.S. relations. "It is not what Senator Jesse Helms said, that the law would bring this government to its knees in a year, but it has made our lives more difficult.

"As a result of the law, many people are afraid to invest here."

In retaliation, the Cuban legislature on Dec. 25 passed the Law of Reaffirmation of Cuban Dignity and Sovereignty. It allows Cubans, through special courts, to sue the United States if they have been "victims of physical harm or property damage caused by actions supported by the United States," including "murder, injury and economic damage suffered under torturers and assassins of the Batista dictatorship or criminals in the pay of North American imperialism." Mr. Castro overthrew the regime of Fulgencio Batista, who was supported by Washington, in 1959.

While there is no way to enforce any court verdicts against the United States, the law further tangles relations and makes it more difficult to resolve property claims dating back to the 1960s.

The Cuban law recognizes the rights of U.S. citizens and companies to indemnification for property losses in the revolution, but forbids compensation of any American seeking redress through Helms-Burton.

In addition, the law makes it a crime for "any form of collaboration" in carrying out Helms-Burton, such as giving any information that would help the law be enforced or speaking in favor of the law.

The law also formalizes the Cuban government's right to help foreign companies hide investments from U.S. officials through "fiduciary companies, financial institutions or investment funds." It also establishes that any money sent to Cubans by relatives living abroad is tax-exempt and can be deposited in interest-bearing, hard-currency accounts in Cuba.

While Cuba's economy showed a growth of 7.8 percent in 1996, economists and officials said that the pace would be hard to sustain this year and that many people would not perceive much improvement in their daily lives.

Because the economy shrank by more than 30 percent between 1991 and 1994, the recent growth reflects a rebound from a deep depression rather than robust economic activity.

For example, although the sugar harvest increased by 33 percent in 1996 — to 4.9 million tons — it is still far below the harvests of the 1980s.

The sugar harvest this year is expected to be about 10 percent larger than last year. But world sugar prices are flat. That, coupled with the rise in world oil prices, has the government strapped for hard currency, according to government economists and diplomats.

Cuba ran up a $1.7 billion trade deficit in 1996, according to official statistics, and has had to rely on high-interest, short-term loans to meet financial obligations, squeezing the flow of hard currency.

"It is a cash-flow problem," said Alfredo Gonzalez, senior adviser in the Ministry of Economics and Planning. "Our priority this year is to deal with the external debt, to ease the tension in the economy."

The difficulties are being experienced even though Cuba attracted 1 million tourists in 1996, the most since the revolution. Gross revenues from tourism for the year were $1.3 billion and net earnings were $450 million. But Cuba's foreign debt still stands at close to $11 billion.

"The government is boxed in," an economist said. "The reforms won't go backward, but people will not feel much of an improvement, because all the money the state gets will go to paying off the loans. We had growth of almost 8 percent, yet by January we have already run out of money."

TRAVEL UPDATE

Berlin Lays Tunnel for Rail Hub

BERLIN (Reuters) — Engineers on Monday began one of the most spectacular construction aspects of the work to transform Berlin, using water cannon to build part of a new rail tunnel that will run under the future government quarters in Berlin.

The tunnel will carry a north-south rail line as part of a project to make the city a major rail hub and gateway to Eastern Europe. It will pass almost directly underneath the Reichstag, where the German Parliament will meet beginning in 1999 when it leaves Bonn.

Engineers are applying a new technique that involves using water cannon to swill earth out from under prefabricated concrete tunnel sections.

China to Revamp Train Services

BEIJING (AP) — China plans to make trains connecting major cities faster starting in April to lure back rail passengers from bus and airplane travel, the official Xinhua press agency said Monday.

Train speeds will be increased to more than 110 kilometers per hour (70 miles per hour) on mostly long-distance journeys, Xinhua said. Special trains for tourists are also planned.

A fuel shortage gripped Lagos on Monday, leaving cars lining up for hours at gas stations. A dispute between two Nigerian agencies was blamed for the shortage. *(Reuters)*

Taiwan signed an aviation agreement with Cambodia to exchange direct flights between Taipei and Phnom Penh despite the absence of diplomatic ties between the two countries, officials said Monday. *(AFP)*

WEATHER

Forecast for Wednesday through Friday, as provided by AccuWeather.

North America
Cold air will move into the Great Lakes Thursday and Friday, then eventually spread into the Northeast and mid-Atlantic Friday. The northern Plains will stay cold through Thursday with some moderation Friday. Mild across the Southwest and seasonable in the Northwest.

Europe
Cold air will seep out of western Russia into far eastern Europe, while much of western Europe has near- to above- normal temperatures. However, some areas such as Paris and Munich will stay near to just below normal, as an easterly flow persists. Stormy over northern Scandinavia.

Asia
Bitterly cold air will grip Manchuria, eastern Mongolia and North Korea through Friday. South Korea, including Seoul, will be cold Wednesday, followed by gradual moderation. Tokyo and much of Japan will be cold, while Beijing enjoys rather mild weather. Seasonable in Hong Kong and Singapore.

Europe

	Today High C/F	Today Low C/F	Today W	Tomorrow High C/F	Tomorrow Low C/F	Tomorrow W
Algarve	16/61	10/50	pc	14/57	10/50	r
Amsterdam	3/37	-1/31	pc	6/43	3/37	s
Ankara	0/32	-8/18	pc	-1/31	-15/5	sf
Athens	10/50	4/39	pc	11/52	2/35	pc
Barcelona	7/44	4/39	r	10/50	4/39	c
Belgrade	6/43	-4/25	pc	-6/29	-7/20	pc
Berlin	1/34	-4/25	pc	3/37	2/35	c
Brussels	3/37	-1/31	pc	6/43	3/37	pc
Budapest	2/35	-5/24	pc	-3/27	-4/25	pc
Copenhagen	1/34	-3/27	s	6/43	3/37	c
Costa Del Sol	18/61	8/46	pc	13/55	6/46	sh
Dublin	7/44	3/37	pc	7/44	5/41	c
Edinburgh	7/44	2/35	c	7/44	4/39	c
Florence	7/44	4/39	sh	8/46	0/32	pc
Frankfurt	2/35	-8/22	pc	2/35	-1/31	c
Geneva	2/35	-1/31	c	6/46	1/34	pc
Helsinki	-6/22	-14/7	c	-2/29	-2/29	sf
Istanbul	5/41	2/35	pc	2/35	-5/24	pc
Las Palmas	24/75	19/66	s	24/75	17/62	s
Lisbon	13/55	8/46	pc	11/52	10/50	r
London	6/43	2/35	pc	8/46	4/39	pc
Madrid	9/48	-2/29	pc	9/48	2/35	c
Mallorca	7/44	4/39	r	9/48	5/41	c
Milan	4/39	-1/31	sn	8/46	-1/31	pc
Moscow	-3/27	-7/20	sn	-6/22	-1/31	sn
Munich	3/37	-5/24	c	2/35	-4/25	pc
Nice	10/50	7/44	r	12/53	6/43	c
Oslo	-1/31	-9/29	pc	6/43	0/32	pc
Paris	1/34	-3/27	pc	3/37	-1/31	s
Prague	2/35	-6/22	pc	1/34	-3/27	pc
Reykjavik	5/41	4/39	c	5/41	-2/29	c
Rome	11/52	7/44	r	12/53	2/35	c
St. Petersburg	-3/27	-12/11	sn	-6/22	-7/20	sf
Stockholm	-4/25	-6/22	pc	3/37	1/34	sn
Strasbourg	1/34	-2/29	c	3/37	0/32	pc
Tallinn	-5/24	-13/9	c	-2/29	-3/27	sf
Venice	7/44	1/34	c	7/44	-1/31	pc
Vienna	4/39	-3/27	pc	1/34	-2/29	pc
Warsaw	-2/29	-9/16	pc	-2/29	-2/29	sn
Zurich	2/35	-2/29	c	5/41	1/34	s

Middle East

	Today High C/F	Today Low C/F	Today W	Tomorrow High C/F	Tomorrow Low C/F	Tomorrow W
Abu Dhabi	22/71	11/52	s	25/77	13/55	s
Beirut	13/55	8/46	s	18/64	8/46	pc
Cairo	18/64	8/46	s	19/66	7/44	s
Damascus	10/50	1/34	pc	12/53	2/35	s
Jerusalem	11/52	3/37	pc	11/52	2/35	pc
Luxor	24/75	8/43	s	26/79	9/37	s
Riyadh	22/71	12/53	s	26/79	13/55	pc

North America

	Today High C/F	Today Low C/F	Today W	Tomorrow High C/F	Tomorrow Low C/F	Tomorrow W
Anchorage	-3/27	-6/22	sf	0/32	-4/25	sn
Atlanta	8/43	3/37	sh	10/50	2/35	sh
Boston	4/39	-4/25	sh	1/34	-7/20	pc
Chicago	-8/18	-13/9	sf	-2/29	-12/11	pc
Dallas	1/34	-4/25	s	14/57	5/41	pc
Denver	11/52	-6/22	s	10/50	-6/22	pc
Detroit	-6/22	-13/9	s	-1/31	-11/13	pc
Honolulu	29/84	21/70	pc	30/86	21/70	pc
Houston	8/46	3/37	r	18/64	8/46	pc
Los Angeles	21/70	9/48	pc	23/73	10/50	pc
Miami	26/79	19/66	pc	27/80	19/66	pc
Minneapolis	-12/11	-19/-2	s	-11/13	-19/-2	sn
Montreal	-4/25	-12/-2	sn	-9/16	-20/-3	pc
Nassau	26/79	18/64	s	26/79	17/62	s
New York	6/43	-3/27	sh	1/34	-4/25	pc
Orlando	29/79	16/61	pc	24/75	13/55	pc
Phoenix	21/70	9/48	s	24/75	11/52	s
San Frncs.	16/61	9/48	c	18/64	11/52	pc
Seattle	9/48	6/43	r	11/52	6/46	r
Toronto	-3/27	-12/11	pc	-3/27	-10/14	c
Vancouver	8/46	4/39	r	10/50	8/46	r
Washington	8/46	-2/29	sh	4/39	-3/27	pc

Legend: s-sunny, pc-partly cloudy, c-cloudy, sh-showers, t-thunderstorms, r-rain, sf-snow flurries, sn-snow, I-ice, W-Weather. All maps, forecasts and data provided by AccuWeather, Inc. © 1997

Asia

	Today High C/F	Today Low C/F	Today W	Tomorrow High C/F	Tomorrow Low C/F	Tomorrow W
Bali	34/93	24/75	pc	34/93	24/75	pc
Bangkok	31/88	19/66	s	30/86	21/70	pc
Beijing	4/39	-4/25	s	4/39	-2/29	pc
Bombay	30/86	18/61	s	30/86	17/62	s
Calcutta	26/79	12/53	s	26/79	12/53	s
Chiang Mai	32/89	18/64	pc	31/88	19/66	pc
Colombo	29/82	21/70	pc	29/84	21/70	pc
Hanoi	21/70	12/53	s	21/70	16/61	s
Ho Chi Minh	33/91	23/73	pc	32/89	23/73	pc
Hong Kong	19/66	12/53	s	18/64	14/57	s
Islamabad	19/66	5/41	pc	19/66	4/39	s
Jakarta	30/86	24/75	c	30/86	24/75	c
Karachi	23/73	7/44	s	23/73	9/48	s
K. Lumpur	32/89	23/73	pc	31/88	23/73	pc
K. Kinabalu	31/88	23/73	pc	31/88	24/75	s
Manila	30/86	21/70	pc	30/86	21/70	pc
New Delhi	22/71	5/41	s	24/75	7/44	s
Phnom Penh	31/88	19/66	pc	29/84	22/71	pc
Phuket	31/88	19/66	pc	30/86	21/70	pc
Rangoon	31/88	19/66	pc	29/84	21/70	pc
Seoul	1/34	-3/16	pc	-2/29	-10/16	pc
Shanghai	11/52	0/32	s	9/48	1/34	s
Singapore	32/89	26/79	pc	32/89	25/79	c
Taipei	17/62	11/52	s	16/61	13/55	s
Tokyo	11/52	2/35	pc	7/44	-1/31	pc
Vientiane	21/70	13/55	s	21/70	16/61	s

Africa

	Today High C/F	Today Low C/F	Today W	Tomorrow High C/F	Tomorrow Low C/F	Tomorrow W
Algiers	14/57	8/46	sh	17/62	6/43	pc
Cape Town	26/82	16/61	s	26/79	14/57	s
Casablanca	21/70	11/52	pc	22/71	10/50	pc
Harare	29/84	10/50	s	32/89	9/48	s
Lagos	30/86	22/71	pc	31/88	23/73	sf
Nairobi	31/88	13/55	s	32/89	12/53	s
Tunis	13/55	8/46	sh	14/57	6/43	pc

Latin America

	Today High C/F	Today Low C/F	Today W	Tomorrow High C/F	Tomorrow Low C/F	Tomorrow W
Buenos Aires	32/91	20/71	pc	33/91	18/64	pc
Caracas	27/80	23/73	c	28/82	22/71	pc
Lima	27/80	21/70	c	28/82	21/70	pc
Mexico City	19/66	4/39	sh	18/64	4/39	pc
Rio de Janeiro	28/82	21/70	pc	27/80	20/71	pc
Santiago	29/79	7/44	pc	26/79	9/48	s

Oceania

	Today High C/F	Today Low C/F	Today W	Tomorrow High C/F	Tomorrow Low C/F	Tomorrow W
Auckland	23/73	13/55	s	21/70	12/53	s
Sydney	27/80	22/71	c	26/79	22/71	sh

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THE AMERICAS

For $250,000, 'the Best Access to Congress'

By Don Van Natta Jr. and Jane Fritsch
New York Times Service

WASHINGTON — For elite donors who contributed at least $250,000, the Republican Party offered a new enticement in its gilded invitations to the party's convention in San Diego last summer.

Beyond the smorgasbord of perks, like access to the party's private skybox and a photo session with the Republican nominees, the party promised a special benefit: staff members to help with problems in Washington.

In fund-raising circles, these $250,000 donors became known as season ticket holders.

At least 75 corporations and individuals gave $250,000 or more to the Republican Party last year, setting a standard for political giving that by far surpasses previous election years, when top donors generally gave $100,000 to join the Team 100 club. The Democrats, too, helped to escalate the race for big contributions, bringing in 45 donors who gave $250,000 or more.

The link between political donations and access to government officials is at the core of the fund-raising controversy that has enveloped the Democratic Party. The party has returned $1.5 million in questionable contributions, most of it from Asian and Asian-American sources, and several congressional committees as well as the Justice Department are investigating the matter.

Republicans have seized upon the controversy since it erupted last fall, accusing President Bill Clinton and the Democrats of giving large donors special access to the White House, like intimate meetings with the president and overnight stays in the Lincoln Bedroom.

The administration disclosed last week that at one such White House gathering, prominent bankers met to discuss banking regulations with Mr. Clinton, a senior regulator and others.

But the Democrats are not alone in their zeal to raise money.

In the last election, Republican fund-raising drives strongly implied that large donations would help buy special access to the Republicans controlling Congress. Even while Republicans criticize Democrats for selling access to the White House, Republican fund-raisers are sending out even more explicit pitches promising special rewards for big donors.

According to solicitation letters, invitations and interviews with dozens of Republican fund-raisers, the Republicans have focused on large corporations and individuals with interests pending on Capitol Hill.

"There is no question — if you give a lot of money, you will get a lot of access," said a senior executive whose corporation gave $500,000 to the Republicans. "All you have to do is send in the check." The $250,000 season ticket was pitched as an entree to the party's inner circle and "the best access to Congress," he said, adding, "It is literally touted as being in the inner sanctum and the creme de la creme."

Most fund-raisers and donors spoke on the condition of anonymity for fear that they would lose the access they had won with their donations.

"I think it is fair to say that everyone in our organization, from the CEO on down, finds this atmosphere to be corrosive and unproductive," said an executive whose corporation donated more than $300,000.

"You play because your competition plays. At least from our perspective, we would much rather take a number at the door of a Congress person's office, sit down like any other citizen and, when our number is called, go in, state our case and then leave.

"I thought that is what the Constitution says how it should be."

Giving Generously to Republicans

Top 10 corporate donors to the Republican National Committee of soft money — contributions to political parties that are not subject to any limits and are often spent on behalf of individual candidates.

	DONOR	JAN. 1, 1995, THROUGH NOV. 25, 1996 TOTAL
1	Philip Morris Co. Inc.	$2,507,118
2	RJR Nabisco Inc.	1,148,175
3	Amer. Financial Group	794,000
4	Atlantic Richfield Co.	765,416
5	Joseph E. Seagram & Sons Inc.	680,345
6	Brown & Williamson Tobacco Corp.	635,000
7	AT&T	546,440
8	US Tobacco Co.	539,253
9	Enron Corp.	529,500
10	Plaza Cleaning Service Co.	475,000

Source: Common Cause

The New York Times

POLITICAL NOTES

Split, Reform Party Ends Meeting

NASHVILLE — The Reform Party has ended its national organizing convention here with members as deeply divided over the direction of the party as when they arrived. And Ross Perot loyalists left here even more firmly in control of the party's future than before.

A weekend of political intrigue, back-room bargaining, name-calling and endless hallway caucuses climaxed when the Perot forces, angry at the criticism leveled at them and at Mr. Perot by a dissident faction, crushed the opposition and elected a slate of leaders dominated by longtime loyalists to the two-time presidential candidate.

The action, which came after several efforts at compromise failed, triggered a walkout by representatives from three states — Minnesota, Oregon and New York — and left the losers complaining that Mr. Perot's grip on the organization will prevent the third-party movement from reaching its full potential.

But Russ Verney, the newly elected Reform Party chairman and Mr. Perot's 1996 campaign manager, said the weekend of conflict was healthy for the party's evolution and that its members could now get back to the job of organizing in the states and expanding the party.

"Within the vast majority of members of this party, there is a great deal of pride in Ross Perot," Mr. Verney said. "In an attempt to be open, they have suffered attacks from some people who should be their friends. Now they're saying they're not going to take it anymore."

But the dissidents said they wanted no part of a party in which Mr. Perot remains the controlling force. "I view this as coming to a fork in the road," said Ralph Copeland of Virginia, one of the leaders of the dissidents. "The Perot party is going down one path, and the democratic, third-party movement is going down another." *(WP)*

Tepid Defense of Clinton Speech

WASHINGTON — People at the White House were shrugging off bad reviews of President Bill Clinton's second inaugural address last week. Not that anyone is exactly vying for credit — Mr. Clinton is the main author, they say. But Clintonites insist it was not that bad a speech and would stand up well over time.

Besides, one source said, internal polls indicated real people — defined as anyone who lives outside the Washington area — liked it, and the conservative New York Times columnist William Safire, who as a former Spiro Agnew speechwriter knows about these things, pronounced it pretty good.

One important victory for the speechwriters was killing any mention of that "bridge to the 21st century" cliché, managing to avoid the phrase entirely and keeping the president from even mentioning a bridge until the end.

The speech was widely praised for its brevity. The idea was to keep it to about 14 minutes, the length of the first inaugural address. In fact, some of those involved were surprised that it lasted 22 minutes. The last rehearsal at midnight the day before the inauguration clocked the speech at 15 minutes. Mr. Clinton apparently slowed the delivery and added a few lines here and there.

Except for that cheap shot at short people — "Nothing big ever came from being small" — the Clintonites figured he succeeded. *(WP)*

Quote / Unquote

Senator Mitch McConnell, Republican of Kentucky, the Republican in charge of fund-raising for 1998 Senate races, on Mr. Clinton's appeals for a bipartisan spirit of campaign-funding reform: "I just have two words to the president. Reform yourself." *(NYT)*

Away From Politics

• **James Earl Ray, 68, who is jailed** for the assassination of Martin Luther King Jr., is back in the hospital in Nashville, Tennessee, for the third time in a month with chronic liver disease. He was reported to be in critical condition when he was brought to the hospital. His lawyer, William Pepper, said earlier that Mr. Ray would die within months unless he received a liver transplant. *(AP)*

• **Bill Cosby returned to work** on his television show for the first time since his son was murdered on a Los Angeles freeway earlier this month. Mr. Cosby said that it was time to get back to work and find humor again. "I think it's time for me to tell the people that we have to laugh. We've got to laugh." *(Reuters)*

• **Rain-weary Californians** celebrated after a second round of storms failed to deliver as much rain as predicted, sparing the state's weakened levees and exhausted emergency personnel from more flooding. *(NYT)*

• **A fire roared through** a residential motel in Thornton, Colorado, killing at least five persons. At least two persons, including a firefighter, were injured. Fire officials said that the blaze at the La Hacienda Motel had destroyed at least 70 units. *(AP)*

Dick Morris Is Gone, Not His Style

Disgraced Consultant's Strategy Is Still a White House Model

By John F. Harris
Washington Post Service

WASHINGTON — Dick Morris was purged from President Bill Clinton's political team after a sex scandal last summer, but the consultant's strategy and methods still reign at the Clinton White House.

The brand of centrist ideology and poll-based political positioning that Mr. Clinton and Mr. Morris fashioned during their collaboration in 1995 and 1996 is, at least for now, the governing model for the president's second term.

The Wednesday strategy meetings in the White House residence that the two men began in early 1995, a bleak time for the president, have continued.

Mr. Morris is no longer invited, but the two pollsters he ushered onto the Clinton roster — Mark Penn and Doug Schoen — still attend, administration officials said. And they still do regular polling for the White House, paid for by the Democratic National Committee.

Mr. Morris's ideas still provoke tension in the White House. Since the election, administration officials say, there have been several debates over whether Mr. Clinton should present a steady barrage of small-scale initiatives, something Mr. Morris perpetually agitated for, or whether he should slow the pace and promote a smaller number of larger and more substantive ideas.

But the events of the last week show the extent to which Mr. Morris's world view and approach to politics hold sway — not only with Mr. Clinton, but with many on the White House staff, including aides with nothing but disdain for Mr. Morris himself.

It was there Jan. 20 in Mr. Clinton's inaugural address with the appeal to bipartisanship, something that Mr. Morris, through polling, became convinced the electorate desires deeply. Don Baer, communications director and principal assistant in drafting the speech, was among Mr. Morris's close allies.

The Morris influence was there the next day when Mr. Clinton pushed for an early budget agreement with Republicans, coupled with new concessions on Medicare cuts. Throughout his tenure, Mr. Morris was a regular advocate of the importance of a quick budget deal.

Mr. Morris's echo was there, finally, in Saturday's radio address, when Mr. Clinton announced he was asking for $43 million in the budget next year to improve food-safety standards. Frequent announcements of small-scale actions — designed to convince skeptical voters that Mr. Clinton was doing things directly relevant to their lives — were Mr. Morris's stock in trade.

Mr. Morris and Mr. Clinton, who have worked closely for two decades, by their own accounts have had at least several friendly chats since Mr. Morris resigned last August, although neither will describe the frequency or substance of the calls.

Mr. Morris's lasting influence is a touchy subject at the White House. Mr. Clinton and Vice President Al Gore, not Mr. Morris or other advisers, are the primary authors of the centrist political strategy the administration adapted following the Democratic humiliation in 1994, aides assert. And the White House is not eager to revive the specter of a consultant who became an embarrassment.

But what Mr. Morris has called his "symbiotic" relationship with Mr. Clinton is a central question of the presidency. The topic was given new currency this month by the publication of Mr. Morris's campaign memoir, "Behind the Oval Office."

The first wave of publicity and reviews about the book focused heavily on the eccentric personality of the author — a man who, by his own testimony, has an ego that often hurtles out of control.

But the attention on Mr. Morris and the self-obsessed portrait he draws of himself helped obscure the portrait he draws of a more significant character: Bill Clinton.

In Mr. Morris's account, which has gone essentially unchallenged by administration officials either publicly or speaking anonymously, every possible action or policy that Mr. Clinton either took or considered taking was subject to extensive polling.

Mr. Morris says Mr. Clinton's "self image comes from the feelings reflected by others around him" in a room, and he viewed polls of the electorate as "the ultimate room." He looked to positive poll ratings for "vindication, ratification, and approval" and regularly complained aloud that he wasn't getting the credit he deserved, Mr. Morris writes.

And while Mr. Morris says the polls weren't always decisive, he makes clear that they were for many actions, even such trivial matters as where the president should vacation.

As Mr. Morris tells it, Mr. Clinton often kept his views secret from his staff to avoid leaks and occasionally exploded in frustration. "I mean, I'm the president, so I get a vote, don't I? Don't I?" Mr. Clinton supposedly fumed during an internal debate about his position on a bill barring national recognition of gay marriages.

Once, Mr. Morris said, he started shouting at a dispirited president. "You're the biggest problem," he tells Mr. Clinton in one of the book's more dramatic scenes. "You've lost your nerve. You're not the same man I worked for in Arkansas. That guy took risks. ... Where in the hell is he?"

The White House has refused to comment on any particular passage in the book. "Some of it is interesting, some of it's got insight and some of it's wrong," said the White House press secretary, Michael McCurry.

Current and former Clinton aides, pressed on the inaccuracies, mostly point to small details, while independent reporting on several of the important passages tends to buttress the consultant's account.

But Labor Secretary Robert Reich disputes the book's suggestion that Mr. Morris was one of the few creative forces on a team of mostly conventional thinkers.

"Dick Morris's arrival was not the point at which the administration suddenly became creative," Mr. Reich said. "There's a lot of conceit to that proposition."

Bias Cases: Lawyers' Pot of Gold

By David Segal
Washington Post Service

WASHINGTON — A New York attorney hit a Texas-sized money gusher recently, and the windfall has caused him to consider a career shift.

For more than a decade, Daniel Berger earned his living by suing companies on behalf of disgruntled shareholders. Then, in 1994, he was approached by a colleague to work on a race discrimination lawsuit against Texaco Inc. Now Mr. Berger will earn a share of the nearly $29 million in lawyers' fees requested recently as part of a December settlement — not bad for a case that lasted just two years.

"We're getting hundreds of calls from workers across the country," he said from his Manhattan office. "I'm going to keep a hand in securities suits, but we're already considering which bias cases to bring next."

Until recently, discrimination suits were considered a specialized legal niche, and attorneys who brought these cases typically viewed themselves as a new brand of civil rights crusader. Now, as more companies such as Texaco produce bonanzas for lawyers, bias lawsuits are turning into one of the hottest areas of practice.

A growing number of plaintiff's lawyers are prowling for aggrieved employees to represent — membership in the Metropolitan Washington Employment Lawyers Organization, for example, has more than doubled to 209 in the past five years. Meanwhile, the business of defending companies against accusations of discrimination — and advising executives on how to avoid suits — is brisk.

Moreover, some lawyers who once were on corporate payrolls are switching allegiances, deciding that they would rather accuse companies of discrimination than defend them against such allegations.

"I find it a lot more fun," said James Finberg, a California attorney who leaped to the plaintiff side shortly after defending State Farm Insurance Co. in a huge bias suit in 1992.

Fees in class-action suits leave attorneys with the largest chunk of the money.

It also is, very often, more profitable. Because of a change to the Civil Rights Act in 1991, lawyers who prevail in employment bias cases get a rare deal: They are able to charge the companies they sue double the usual hourly rates — and sometimes more — for time spent working on a case. Because these cases can drag on for years and are much more likely to be settled than decided at trial, lawyers' fees in class-action suits often are enormous and invariably leave attorneys with the largest chunk of the money.

When State Farm settled a class-action gender discrimination case in 1992, for example, lawyers at the Oakland firm of Sapperstein, Goldstein, Demchak & Baller walked away with $65 million of the $250 million award.

Though the State Farm case was larger than most, in recent years there have been hefty settlements for employees against restaurant chains such as Shoney's Inc. ($132.5 million) and Denny's ($54 million), and against the Lucky Stores supermarket chain ($107 million). On Friday, the Florida grocery chain Publix Super Markets Inc. agreed to pay $81.5 million to settle a class-action sex discrimination case.

Figures such as those, lawyers and legal experts said, are among the reasons for the increase in class-action race and gender discrimination lawsuits in the past five years, to 68 in 1996 from 30 in 1992, according to the Equal Employment Opportunity Commission. In addition, more of these cases are winding their way through the courts.

"There's a lot of competition in this field these days," said Barry Goldstein of the Sapperstein firm, which has won more than $600 million in damages and fees in bias cases since 1991.

But some law professors contend that the rise in such cases could have the unintended effect of reducing the willingness of some companies to hire women and minorities.

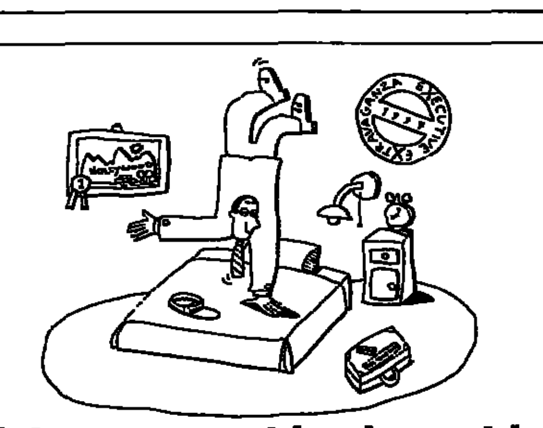
Nearly all of the litigation in this area centers on whether employees were passed over for promotions or gratuitously fired. So simply by not hiring minorities and women, executives can significantly reduce their odds of getting sued.

"It's highly unlikely that someone who doesn't get hired by a company is going to sue," said Eugene Volokh, a professor at UCLA Law School. "They're too busy looking for a job, and it's very hard for lawyers to prove that a company discriminated against a person because they didn't get a job."

Some business leaders regard the outburst of discrimination cases as opportunism run amok. Though some companies have treated minorities unfairly, usually the discrimination is limited to a small group, they argue.

"A lot of lawyers have had their appetites whetted by these huge verdicts and regard this as an area they can branch into," said Stephen Bokat, general counsel at the U.S. Chamber of Commerce.

The bias litigation boom is in large measure traceable to key changes in the Civil Rights Act of 1991. These amendments made employment litigation highly lucrative by allowing plaintiffs in class-action cases to sue for as much as $300,000 in damages for pain and suffering, rather than simply recovering their pay.



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ASIA/PACIFIC

Taleban Offers a Conditional Truce

Deal Would Include Prisoner Exchange, but No Power-Sharing

Compiled by Our Staff From Dispatches

KABUL — The Taleban fundamentalist Islamic movement offered Monday to declare a cease-fire in Afghanistan if its opponents dropped a demand for a power-sharing agreement.

Although there was no immediate response from the other side, forces under General Abdul Rashid Dustam blew up the strategic Salang highway north of Kabul in an attempt to stop recent advances by Taleban troops.

A Taleban spokesman, Amir Khan Muttaqi, said that Taleban had two conditions for a cease-fire: It wants the opposition to agree to a prisoner exchange and to acknowledge Taleban rule.

"There will be peace in Afghanistan *only if they accept the Taleban,*" he said. In earlier statements the alliance fighting Taleban has demanded a power-sharing arrangement.

The Taleban militia, which has imposed its version of strict Islamic rule in two-thirds of Afghanistan, has been trying to wrest the northern third from General Dustam and former government forces under Ahmed Shah Masoud.

On Monday, troops under General Dustam blasted a nearby mountain, sending a sea of boulders crashing down on the highway about 105 kilometers (65 miles) north of Kabul, according to soldiers and reporters returning from the front line.

"The Salang highway is destroyed," the Taleban commander Bizmullah Mohammed said. "This will only cause problems for the civilians. We will continue our fight."

The Salang tunnel north of Kabul, nearly three kilometers long, is the main route to northern provinces and beyond to Central Asia.

Attempts by Pakistan, Iran and the United Nations to negotiate a peaceful end to the protracted fighting have failed.

In recent weeks, Taleban has made significant gains on the battlefield north of the capital.

The front line, which at one time was just 20 kilometers north of Kabul, is now 100 kilometers from the capital.

Early Monday, the Taleban militia pushed farther into enemy territory. Troops captured three districts of Kapisa Province in northeastern Afghanistan, previously under the control of Mr. Masoud's troops, said Mr. Muttaqi. The opposition has given up much of the territory without a fight, according to witnesses and reporters returning from the front.

Meanwhile, Taleban soldiers have forced residents of northern villages to relocate to Kabul. They say they fear collaborators among the villagers who belong to Pakistan's minority Tajik ethnic group, like Mr. Masoud.

It is estimated that at least 25,000 villagers have reached Kabul, many of them with no money and only the few belongings they could carry.

Schools in the northern suburb of Khair Khana have been taken over by the new refugees, according to residents of the neighborhood.

A UN aid coordinating agency in Islamabad said Monday that it had sent emergency relief for Afghans living in miserable conditions on the front, with children dying of cold and hunger in one area.

The UN Office for the Coordination of Humanitarian Assistance to Afghanistan said in a statement that convoys carrying urgently needed supplies were en route to the country's frontline areas.

The organization said in the statement that as many as four children were dying each day because of cold and hunger in Sang-i-Atash area in the northwestern province of Badghis. *(AP, Reuters)*

Rafiqur Rahman/Reuters

NO BANGLADESH PEACE, YET — Jyotirindra Budhipriya Larma, leader of the rebel Shanti Bahini, on Monday after peace talks with the government in Dhaka failed to reach a deal.

North Korea Abruptly Puts Off Briefing on Peace Talks

Compiled by Our Staff From Dispatches

SEOUL — North Korea abruptly postponed a meeting with the United States and South Korea on proposed peace talks for the Korean Peninsula, the South Korean Foreign Ministry said Monday.

Pyongyang gave no reason for delaying the briefing, originally scheduled for Wednesday in New York, until Feb. 5, a Foreign Ministry spokesman, Lee Kyu Hyong, said. U.S. and South Korean officials did not know the cause of the North Korean move, other ministry officials said.

The briefing was to enable North Korea to better understand proposed four-party Korean peace talks, which will eventually involve China as well. North Korea had requested the briefing. President Bill Clinton and President Kim Young Sam proposed the four-way talks in April as a move toward a permanent peace on the divided Korean Peninsula.

Pyongyang agreed in December to attend the meeting after apologizing over an incursion into South Korea by one of its submarines, which landed 26 infiltrators.

North and South Korea are still technically at war following the 1950-1953 Korean conflict that ended in a truce, not a peace agreement. *(AP, Reuters)*

■ Taiwan Upholds Nuclear Waste Pact

Taiwan urged South Korea on Monday to end its opposition to a deal under which Taipei will ship low-level nuclear waste to North Korea, the Reuters news agency reported from Taipei.

Despite increasingly militant protests in South Korea, Taiwan rejected Seoul's appeal to end the deal. Under a Jan. 11 contract, the state-owned Taiwan Power Co., known as Taipower, plans to ship 60,000 barrels of nuclear waste over two years to the Stalinist state.

"The case is a legal and reasonable business activity," the Taiwan Foreign Ministry said. "We hope South Korea can treat Taipower's international business contract with rationality."

Taiwan urged South Korea not to cause any "disturbance."

Seoul, the Foreign Ministry said, "should not interfere with bilateral affairs between our country and North Korea to avoid further damage of relations between our country and South Korea."

Taipower declined to disclose financial terms, but Taiwan news organizations have reported that the utility has agreed to pay Pyongyang $1,150 for each barrel of nuclear waste it takes.

Taiwan state television, quoting reliable sources, said Pyongyang had sent engineers to Taiwan to inspect the island's ports and that the first nuclear waste might be shipped to North Korea by the end of February.

South Korea says there is no verification that the North can store nuclear waste safely.

Scores of South Korean environmental activists burned Taiwan flags and an effigy of President Lee Teng-hui of Taiwan on Saturday in Seoul as South Korea sought to bring international pressure on Taipei to cancel the waste pact. The Taiwan Foreign Ministry said it was satisfied that North Korea was capable of handling low-level radioactive nuclear waste and that the contract complied with international regulations.

BRIEFLY

Protesters Meet Thai Leader

BANGKOK — Representatives of thousands of impoverished Thais, camped outside Government House for three days to press for social justice, met the prime minister Monday, but refused to disperse until solutions were reached.

"We will live here until our demands are met," said Kamsaen Sertlaho, a protest leader. "I don't care whether it takes weeks or months."

Government House is the office of Prime Minister Chaovalit Yongchaiyut.

Government officials said it could take up to a week just to narrow differences over some of the eight key issues raised by the 10,000 protesters, who live in impoverished northeastern provinces. *(Reuters)*

Patten Appeal: Keep Press Free

HONG KONG — Governor Chris Patten on Monday urged Beijing, which just released a Hong Kong reporter after three years in jail, to let reporters in the territory write without fear after it reverts to China in July.

China released the Hong Kong journalist Xi Yang, 40, on Saturday after he served three years of a 12-year prison term on spying charges.

"We have our own system, and journalists in our system are not put in prison for embarrassing the government by revealing things the government might not wish to have revealed," Mr. Patten told a conference of the Commonwealth Journalists Association.

"If it were other than that in Hong Kong, there would not be many journalists free on the streets." *(Reuters)*

France to Speed Jets to Taiwan

TAIPEI — France will speed up its delivery to Taiwan of an initial batch of Mirage 2000-5 fighter jets, aiming to avert political frictions at a May summit meeting in China, a Taipei newspaper reported Monday.

By moving delivery forward by one month, to April, Paris hopes to minimize pressure from China, Taiwan's arch-rival, when President Jacques Chirac visits Beijing in May, the Central Daily News quoted unidentified Taiwan Air Force sources as saying. *(Reuters)*

For the Record

Hong Kong police plan to charge five suspects with murder in connection with a karaoke bar blaze in which 15 people were killed over the weekend, Hong Kong government radio said, quoting the police. The blaze in the Top One karaoke night club in the Tsimshatsui district was suspected of being caused by a gasoline bomb in a turf war between rival gangs. *(Reuters)*

President Fidel Ramos has ordered an intensified campaign against measles in the Philippines as the death toll from an outbreak rose to 39 since the start of the year, the presidential palace said. *(Reuters)*

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U.S. Prepares for Balkan Endgame

It Sees Demise of Milosevic and Tudjman Regimes

By Steven Erlanger
New York Times Service

WASHINGTON — A year after the signing of the accord that ended the war in Bosnia, the Clinton administration has concluded that the days of President Slobodan Milosevic of Yugoslavia and President Franjo Tudjman of Croatia are numbered.

While that number is a mystery, Washington has begun altering its policy, supporting the protests of Mr. Milosevic's opponents, looking past Mr. Tudjman to identify a new generation of leaders and seriously considering plans for commandos to capture some of the roughly 70 people indicted on charges of war crimes.

Only a year ago, the administration looked upon Mr. Milosevic and Mr. Tudjman as guarantors of stability in Bosnia.

The two men, both authoritarian and both with clear responsibility for the war, had nonetheless committed themselves to ending it by signing the Dayton accord in December 1995.

Thousands of American and other NATO troops were sent to Bosnia to separate the combatants and prevent a recurrence of bloodshed. To protect those troops, the Clinton administration said, the United States and its allies chose not to hunt down accused criminals.

Today, the earth has shifted, with Mr. Milosevic holding on to power in the face of protests and Mr. Tudjman gravely ill with prostate cancer.

The Clinton administration has concluded that Mr. Milosevic is unwilling to do much more to support the peace plan, and that a stable Bosnia requires more democratic neighbors. While Secretary of State Madeleine Albright has spoken vigorously of the need for democracy in the region, the administration has not decided how to promote it.

Asked about Mr. Milosevic and Mr. Tudjman at a news conference, Mrs. Albright said that policies cannot be based "on any one individual."

The peace accord "is supported by more than just two leaders," she said, and American policy remains the effort "to develop institutions" that "can support an evolution toward democracy and capital markets."

A senior U.S. official, speaking on condition of anonymity, said Washington was not trying to push Mr. Milosevic out of power or "calling for his demise." But, the official added, "his aura is broken."

"Now it's a matter of when his era ends, not if, and how it does," the official said. "Even if he survives, he won't be able to exercise the same unbridled one- or two-person rule, with his wife. The rules have changed."

U.S. and European officials say they cannot predict who might succeed Mr. Milosevic, where the current opposition might take the country if he fell suddenly, or what impact a change could have in Bosnia.

Such uncertainties help explain why America's European allies are even less eager to push for serious political change in the Balkans, senior U.S. officials and some senior European diplomats say. They have always cared less about creating a democratic and unified Bosnia than in stopping the war. Far from acting to undermine Mr. Milosevic, the Europeans and Russia are not willing to go even as far as Washington has to isolate him.

"Washington has increased its rhetoric over Serbia and is putting great pressure on Serbia, but has not really made the decision to say that the sooner Milosevic goes the better," said Morton Abramowitz, president of the Carnegie Endowment and a former American diplomat.

"But the alliance is totally divided on how to deal with this guy, and that's the problem. A lot of people want to work something out between Milosevic and the opposition, and there is no agreement within the alliance on what pressures to bring on him."

Unlike its European allies, Washington withholds full diplomatic recognition from Mr. Milosevic's government and prevents the World Bank and International Monetary Fund from operating there. These measures have failed to induce Mr. Milosevic to free up the press, talk to the opposition, respect human rights and open up to foreign investment, U.S. officials acknowledge.

U.S. officials succeeded in pressing for a common front within the Bosnian Contact Group — the United States, Britain, France, Germany and Russia — to urge Mr. Milosevic to recognize and reinstate the original results of the Nov. 17 municipal elections.

Mr. Tudjman is hardly less of an authoritarian than Mr. Milosevic on issues of democracy and media freedom, U.S. officials agree, but he has been treated differently, with full diplomatic recognition and international help for economic reform. Croatia did not start the war and did not suffer UN sanctions, and Germany led the West in treating Mr. Tudjman as more benign than Mr. Milosevic.

Croatia has manipulated its own elections and cracked down on the media and international organizations promoting human rights, U.S. officials acknowledge, and it has also been moving to absorb the ethnic Croat part of Bosnia bordering on Croatia. The Croats have also resisted allowing refugees to return to the Krajina region of Croatia and make it hard for ethnic Serbs to remain in the Eastern Slavonia region.

But U.S. officials regard Mr. Tudjman, 74, as an "old-fashioned nationalist" formed in the period of World War II, and believe that after his death or retirement — there will be presidential elections in the second half of 1997 — the era of one-man rule there will be over. But in Croatia, there is also no obvious heir.

Opposition Loses Legal Battle For the Control of Belgrade

Reuters

BELGRADE — The Serbian opposition movement lost a court battle with the governing Socialists on Monday over control of Belgrade after disputed local elections, but took power in another large city, although with few powers.

Tens of thousands of opposition protesters joined an Orthodox religious holiday march in Belgrade earlier in the day as a Russian diplomat met with government leaders to seek solutions to the political crisis, apparently with little result.

Political sources said President Slobodan Milosevic of Serbia hoped to defuse the uproar over annulled results of local elections by allowing protesters to let off steam in public rallies, granting inconsequential concessions and diverting attention with economic reforms.

The Zajedno, or Together, opposition coalition has carried out 10 weeks of street protests over the Socialists' refusal to admit defeat in municipal elections nationwide. The results had been nullified by the government over unspecified "irregularities."

In Belgrade, the city electoral commission, which bucked Socialist pressure and awarded victory to Zajedno last week, said Monday its ruling had been quashed by the First Municipal Court.

The chairman of the commission, Radomir Lazarevic, said he was enraged by the ruling.

"The decision is completely against the law," he said. "Truth and justice are endangered. There is a legal right of the people to start a rebellion."

Belgrade analysts said the court decision could set the stage for a political standoff in which Zajedno and the Socialists would try to form rival city governments.

The two sides had been involved in a series of legal moves and countermoves for electoral vindication in Belgrade since the original annulment in late November.

The electoral commission ruled in favor of the first Zajedno appeal, but courts under the influence of Socialist hard-liners threw out the decision and subsequent appeals.

Socialist authorities held two more rounds of elections that were boycotted as fraudulent by Zajedno.

A panel from the Organization for Security and Cooperation in Europe verified Zajedno's claim to victory in all 14 towns, but Mr. Milosevic has disregarded the agency's verdict.

The Socialists agreed, however, to cede power in Nis, the second-largest Serbian city, after losing several court appeals and failing to cover up blatant ballot-box stuffing by the regional party boss, who was later expelled.

Zajedno took the reins of government in Nis on Monday at the inaugural session of its regional assembly.

Nis was one of four towns where the Socialists have recently admitted defeat.

Meanwhile, Deputy Foreign Minister Igor Ivanov of Russia met in Belgrade with Milan Milutinovic, the foreign minister of federal Yugoslavia, which groups Serbia and tiny Montenegro, and with Zajedno leaders to encourage compromise solutions to the crisis.

But no breakthrough was reported.

Zajedno has rejected any dialogue or negotiations with the Socialists until its election victories are recognized in full.

Sergei Karpukhin/The Associated Press

A bodyguard of Shamil Basayev, the Chechen independence leader, voting Monday in the village of Vedeno, south of Grozny, the capital.

With All Candidates Demanding Independence, Chechnya Votes

Compiled by Our Staff From Dispatches

GROZNY, Russia — Against a backdrop of war-shattered towns and villages, Chechens voted Monday for a president and a Parliament with all major candidates demanding independence from Russia.

Chechnya's separatists have been running the Muslim territory since the war with Russia ended in August, and many residents saw the election Monday as an important step toward a full separation from Moscow.

"This election is about our freedom," said Hassan Khalidov, a former businessman who served as a rebel fighter in Chechnya's war against Russia. "The Chechen people have waited hundreds of years for this. We are voting today without any pressure from outside."

There was heavy voter turnout with lines of people forming at some voting stations well before they opened. Some early results were expected Tuesday.

After 21 months of brutal war with Russia, Chechens have been busily readying themselves and their scorched and devastated republic for the elections. They invited more than 100 foreign observers, most from the Organization for Security and Cooperation in Europe, to monitor the voting, and promised to protect them after six Red Cross aid workers were killed in their sleep last month.

The Chechens want the world, and particularly Russia, to recognize the election as fair.

They see this as the first step in an inexorable march toward independence.

And that is precisely the Kremlin's worst fear.

When Moscow withdrew its troops last month, it gave Chechnya back the de facto independence it declared when the Soviet Union broke up in 1991.

But in a peace deal signed last fall, the Kremlin insisted on leaving aside the question of Chechen sovereignty for five years.

Chechens already take it for granted. *(AP, Reuters)*

More Unrest Is Anticipated In Albania

The Associated Press

TIRANA, Albania — President Sali Berisha ordered the army on Monday to remove road blocks and defend public buildings after widespread rioting by people losing money in risky get-rich-quick schemes.

More trouble was expected in the capital. The ruling Democratic Party scheduled a rally Tuesday in front of headquarters of the main opposition Socialist Party, the former Communists, in a show of support for the embattled president.

The Socialists and two other opposition parties, the Social Democrats and the Democratic Alliance, announced that they, too, would hold their own rallies. With emotions running high, the competing rallies could easily get out of control.

A day after Parliament — virtually a one-party, rubber-stamp institution — empowered Mr. Berisha to summon the army to restore order, most public buildings in Tirana were guarded by soldiers.

Eight trucks filled with soldiers were positioned outside the Defense Ministry. Soldiers were also seen in front of the state radio and television center and other public buildings.

Defense Minister Safet Zhulali sought to reassure Albanians on Monday evening: "In a democratic society, the army will never be used against people. It will only protect the constitutional order and democratic institutions."

The decree adopted late Sunday at a special session reflected the government's acknowledgement that additional forces were needed to help end disturbances fueled by investors' anger at losses in dubious pyramid schemes.

The decree, carried by the official press agency ATA, made no mention of a state of emergency being imposed, however. Such a move would give Mr. Berisha power to rule by decree.

Ten soldiers on guard outside the state radio-television building were posted a day after riots rocked several cities. Angry crowds ransacked buildings, smashed windows and attacked the police with paving stones.

Thousands have seen their money disappear in what are believed to be pyramid schemes. The protesters link the end of payouts to the arrest of the pyramid operators. They blame the government for their arrest and are demanding their release.

BRIEFLY

More Russian Arms for Cyprus?

MOSCOW — Russia may offer the Greek Cypriot government even more missiles to counter Turkey's threats of a preemptive strike against those scheduled to be supplied to the island, a Russian general said Monday.

"Moscow might sign a contract to supply the Republic of Cyprus with the Tor-M1 missile system," the officer, who spoke on condition of anonymity, told the Itar-Tass news agency. The Greek Cypriots have already ordered another system, the S-300.

Nervous about the numerical superiority of Turkish forces on the island, the Greek Cypriot government bought the Russian-made missiles to bolster its defense. Turkey has threatened military action to prevent the missiles from being deployed on the island. *(AP)*

Pretoria Hopeful on Trade Pact

PRETORIA — South Africa said Monday it hoped to win partial membership in April in the Lome Convention, which would give it favorable access to markets in the European Union.

A statement issued after weekend talks here with European Union trade officials said that the two sides had found some common ground on an agreement, and that Pretoria hoped a membership protocol would be approved in April by the convention's council of ministers. The EU has rejected post-apartheid South Africa's demand for full accession to the Lome Convention, which grants developing countries in Africa, the Caribbean and the Pacific access to EU markets. *(Reuters)*

EU Postpones Yeltsin Meeting

BRUSSELS— A European Union-Russia conference scheduled for next week has been postponed after the ailing Boris Yeltsin confirmed he would be unable to attend, a spokesman for the EU's Dutch presidency said Monday.

The confirmation that President Yeltsin would not be making the trip to The Hague came amid renewed speculation about his health. The Kremlin said that Mr. Yeltsin would have no working meetings Monday and that his schedule for the week would be minimal. *(AFP)*

Unionists to Stay in Ulster Talks

BELFAST — Britain said Monday it was not seeking expulsion of Protestant unionist parties from Northern Ireland multiparty peace talks despite attacks that the police attribute to unionist extremists.

A Northern Ireland Office minister, Michael Ancram, said he did not believe that politicians linked to the banned extremists had breached the peace principles to which they agreed to win places at the talks. *(Reuters)*

Major Said to Favor Vote May 1

Reuters

LONDON — Prime Minister John Major has told ministerial colleagues that his favored date for an election is May 1, Conservative Party sources said Monday.

They said Mr. Major had reaffirmed the date at the start of a cabinet meeting at his official country house, Chequers. The meeting was held to consider what pledges to include in the party's election manifesto.

The Conservatives are now almost 20 percentage points behind the Labour Party in opinion polls.

Mr. Major must hold an election by May 22, but there has been recent speculation in British newspapers that he might appeal to the voters in April or even March.

A spokeswoman at Conservative headquarters said earlier that the party would seek a by-election in Wirral South, near Liverpool, by next Monday.

The by-election would then be held in late February or early March, providing what could prove to be a crucial snapshot of voter opinion before the nationwide election.

New Austrian Leader Assembles 'Team for the Future'

Reuters

VIENNA — The Austrian chancellor-designate, Viktor Klima, unveiled his ministerial team Monday after the ruling Social Democratic Party leadership unanimously approved his choice of cabinet.

Mr. Klima, making his first public appearance since agreeing to take over as chancellor from Franz Vranitzky, confirmed that the Vienna city finance chief, Rudolf Edlinger, would take over the Finance Ministry and the former state secretary for public works, Karl Schloegl, would inherit the job of interior minister.

Former Interior Minister Caspar Einem, whose reputation suffered last year after it emerged he had made a donation to a far-left newsletter, will move to transport.

"This is a team for the future," Mr. Klima told a news conference.

Mr. Vranitzky's surprise resignation as chancellor and party leader on Jan. 18 triggered the shake-up.

President Thomas Klestil will swear in the new cabinet on Tuesday. There will be no changes to posts held by the junior coalition partner, the conservative People's Party.

Mr. Klima said he hoped that the coalition parties would "work together on a fair basis."

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INTERNATIONAL

Space Station Is Slowed By Russian Problems

Vital and Costly Module Is a Year Behind

By William J. Broad
New York Times Service

NEW YORK — Problems with the space program in Russia have delayed its main contribution to the proposed international space station, endangering the entire project, some experts say.

The Russian module is a centerpiece of the orbiting outpost, which involves 15 countries and is expected to cost at least $50 billion and be the size of a football field. The station is meant to symbolize, and help foster, a new era of East-West accord and is an important part of the Clinton administration's Russia policy. It is also NASA's biggest and most politically complex project.

But the cash-poor Russians have now fallen nearly a year behind schedule in building a module that is vital to the station's success.

So in an emergency move, the National Aeronautics and Space Administration decided early this month to build a stopgap module in the United States that will enable the station plans to go forward, even though the date for astronauts to move into the station will be pushed back. NASA is racing to contain the political damage while redoing the station plan.

"The danger of its unraveling is great," said Representative F. James Sensenbrenner Jr., Republican of Wisconsin, who recently became chairman of the House Science Committee.

The plan calls for the orbiting outpost to be built in stages by 15 countries, replacing Cold War hostilities with a new kind of global teamwork. That work is to begin late this year. The first two modules, financed by the United States, are to be sent aloft in November and December. In the original plan, a module financed by Russia was to have been flown into space in April 1998, followed by numerous other components until the end of construction in 2002.

The now-delayed Russian module is meant to provide life support for astronauts as well as stability and propulsion for the orbital complex, keeping it from tumbling out of control or falling back to Earth.

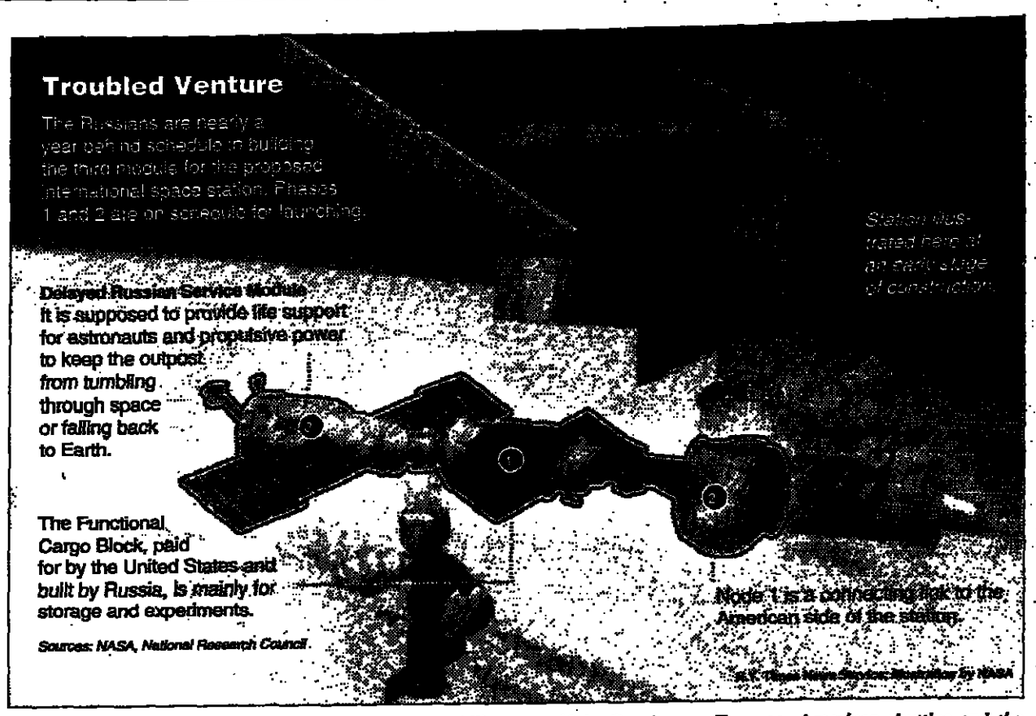
Incensed at the delay, Mr. Sensenbrenner said that if Russia was still withholding the payments for its space program at the end of February, the station team should ask the Russians to leave as full partners, letting them serve only as subcontractors paid to do specific jobs.

"If Russia continues to fail to fulfill its obligations," he said, "it will shake the political and financial underpinnings of the station."

The issue is high on the agenda of Vice President Al Gore and Prime Minister Viktor Chernomyrdin of Russia, who are to meet early next month in Washington.

Mr. Sensenbrenner said he planned to hold hearings on the station's fate right after that meeting.

While NASA officials concede that there has been considerable turmoil, they insist that the basic East-West partnership is sound, if frayed, and that the project is nowhere near collapse. The sprawling outpost can be built on budget and on time and can include Russia, they say.



NASA itself can ride out violent political storms because the agency, as a major source of funds for aerospace contractors, has many powerful allies in Congress.

"From the day we started with the Russians, it has been the perils of Pauline," said Daniel Goldin, the NASA administrator, in an interview, noting that previous problems had been solved and saying that would be the case again. "I feel we're going to build it with them," he said. "I feel it in my bones."

Despite that, NASA is preparing for the worst. It is studying a second makeshift component, or a modification of the first one, that would give the station long-term stability, even if the Russian module never shows up.

In a bold step, the first stopgap piece for NASA is to be made out of military spy gear, which would apparently be the first such diversion to a civilian program. That means that orbital equipment designed to help Americans spy on Russia will now aid the Russians as they struggle to get their technological house in order.

The station's current troubles are part of a pattern of new stresses between the United States and Russia, including friction over issues like NATO expansion and nuclear disarmament. To some degree, the project's fate is a hostage to wider political currents.

Even so, American shuttles and the Russian Mir space station have succeeded in linking up flawlessly in a series of warm-up missions in the last two years. The fourth American astronaut to stay on the Mir is now aboard the Russian outpost for a four-month visit.

The recent problems might delay the first permanent habitation of the international space station by a half-year or so, pushing back that milestone from May 1998 to December 1998 and perhaps to early 1999, when the Russian module might make it into space. That 43-foot-long (13-meter-long), 23-ton cylinder, or something like it, is essential if astronauts are to live and work in orbit.

'Closing Circle,' Sharansky Visits Russia As Dignitary

By Serge Schmemann
New York Times Service

MOSCOW — Saying he was "closing the circle," Natan Sharansky returned as an Israeli cabinet minister Monday to the country from which he was expelled nearly 11 years ago as a convicted traitor.

Landing in Moscow in the freezing darkness of early morning, the 49-year-old former dissident denied feelings of nostalgia or triumph.

"When I was in prison, I often dreamed of landing in Israel in an El Al plane — always an El Al plane — and being met there by my wife, Avital, and her brother Misha," he said. "But I have never dreamed of landing in Moscow in an El Al plane. Maybe I've been asked too many times what I'd feel about this. I've already celebrated victory. Those I defeated are no longer in power. The struggle now is for building strong relations with Russia."

The importance of the visit for him, Mr. Sharansky said, was the symbolism and the message of returning to his father's grave, and returning as an Israeli leader.

Accompanied by his 89-year-old mother, Ida Milgrom, and his wife, Mr. Sharansky drove to the cemetery in a suburb, Malakhovka. His father, Boris, died in 1980, while Mr. Sharansky was in prison, and he had never been to the grave. But the tombstone had the inscription he had dictated to his mother: "His soul will sleep in peace. His seed will inherit the Land of Israel."

"That feeling of closing the circle, it was a very dramatic feeling at the cemetery," Mr. Sharansky said. Following that, he said, another circle was closed, this one almost literally.

That was when Mr. Sharansky, as the Israeli minister of industry and trade, signed Mayor Yuri Luzhkov to increase trade between Israel and Moscow. The ceremony took place in a sparkling hall, Mr. Sharansky said, next door to the building where he was arrested 20 years earlier — which was also the last time he saw anything of Moscow other than Lefortovo Prison.

"It was very funny," Mr. Sharansky said. "Here I was arrested, and 20 years later I'm received with state honors in the next building."

Like many old Muscovites who have returned to the new Moscow of glittering shops, glaring advertisements and bright lights, Mr. Sharansky found it both different and curiously familiar.

"Of course a lot is different, but it still looks surprisingly the same — the same streets, the same houses," he said. "You recognize the place where you met your wife, where you held a demonstration. One difference is talking to people: Russians are less careful; they're more free. I won't say absolutely free, but more free."

The most dramatic sense of change, Mr. Sharansky continued, came at a visit with teachers from Jewish schools. "There were people from a thousand different Jewish schools," he said. "They were complaining about tight budgets, they were squabbling over different systems of education. It was like a New York school board. To think that 20 years ago the big thing was an underground class of 40 students. And here we are debating different systems."

The official purpose for Mr. Sharansky's visit is to promote Israeli-Russian trade, and toward that end the minister was accompanied by about 40 Israeli businessmen.

The Russian news media interest was muted, perhaps because it has become commonplace for former dissidents to come back. Few newspapers noted the return, and the evening television news program focused on the economic and trade aspects of the Israeli visit more than on Mr. Sharansky as a hero of the Jewish emigration movement who had served nine years in Soviet prisons and labor camps before being freed in a swap for Soviet bloc spies in the West.

London? Beijing? Meet Feng Shui, Hong Kong's Real Ruler

By Edward A. Gargan
New York Times Service

HONG KONG — The bristle-haired shipping tycoon chosen by Beijing to run Hong Kong when 150 years of British colonial rule fade away at the end of June was searching for a place to organize his new government.

The colonial government, which has been openly hostile to many of China's plans for Hong Kong, nevertheless offered up a suite of offices atop one of the glitziest malls in the central business district. The leader-to-be, Tung Chee-hwa, turned them down.

So Mr. Tung bustled about town, very secretly, before settling on two floors in what is called the Asia Pacific Finance Center, a mirrored semi-cylinder joined at the hip to the Citicorp tower within slingshot distance of the jaggedly angular Bank of China headquarters.

But despite the expansive views, the private elevator and the central location, Mr. Tung turned first to a master of *feng shui* (pronounced fung shway), the Chinese art of harmonizing people and their environment, to analyze the balance of light and dark in the offices, the orientation of windows and doors, the angle of his desk.

"Feng shui is something you cannot refuse to believe in," Mr. Tung said after receiving the master's approval. "Only after the feng shui expert nods his head to a place do I feel comfortable."

Mr. Tung had made it clear even before he was selected in December to be Hong Kong's first chief executive under Chinese rule that he would not move into Government House, the cavernous 19th-century edifice, somewhat resembling a provincial railroad station, where the current governor, Chris Patten, lives and works.

"I've heard that Government House is crowded and the feng shui is not good," Mr. Tung said.

Feng shui, literally "wind and water," is as central to Hong Kong's ethos as making money, eating and shopping. Houses are built only after consultation with geomancers, or practitioners of the art of divination by means of geographic features, to ensure a propitious orientation with the landscape. Funerals are often scheduled, deals struck and investments made only after the seal of approval from a feng shui practitioner.

When Wellen Sham, a Hong Kong businessman, tours the colony looking for sites for his supermarkets, feng shui is at the top of the list of his concerns.

"I have a feng shui master who accompanies me when I inspect sites," Mr. Sham told the South China Morning Post. "There's always the question of feng shui."

The advice and benediction of feng shui masters are sought widely, and in virtually any situation.

A leading Hong Kong industrialist, Li Ka-shing, rescheduled his mother's funeral when a feng shui expert suggested a more appropriate time.

When a number of riders at Hong Kong's newly renovated Happy Valley racecourse tumbled from their steeds, jockeys and trainers demanded that feng shui experts be summoned to assess the track's harmony problems.

Not everyone here regards feng shui with such solemnity. For the past five years, Credit Lyonnais Securities Asia has published what it calls its Feng Shui Index, a wry and irreverent assessment of Hong Kong's prospects and opportunities for investors.

With last year's index predicting a fire at Mr. Patten's home (there wasn't one), a fatal hurricane (it was among the calmest years in memory), an airplane disaster (none at all) and a dismal year on the stock market (new highs have been the rule), the index, gleaned from the wisdom of various feng shui experts, has been struggling to find its feet.

And even the best feng shui does not ensure unclouded horizons. The sculptured twin glass towers owned by the Lippo Group, the Indonesian conglomerate, are deemed among the most fortunately oriented in the central business district. But that did not prevent a Lippo director, James Riady, from being caught in a spreading web of allegations over improper campaign contributions to the Democratic Party in the United States.

For his part, though, Mr. Tung has cast his lot with the feng shui master Choy Pak-lai. Mr. Choy, who was hired by the government to screen the offices chosen by Mr. Tung, said he was reassured by the layout of the Asia-Pacific site. At the same time, he was troubled by the British Governor's offices, which he urged Mr. Tung not to take over.

"Government House," said Mr. Choy, referring to Mr. Patten's home and office, "was surrounded by tall buildings, which blocked its spirit."

Other feng shui experts were less sanguine about Mr. Tung's choice. Lee Chik-san, another local geomancer, was unsettled by the view of construction sites — buildings with inauspiciously sharp triangular and rectangular shapes — from the future chief executive's office.

"If the dragon cannot see his office, then he will be in trouble," cautioned Mr. Lee. In the cosmology of feng shui, it is thought that a mythical dragon reigns at the heart of Hong Kong, exerting influence over all that happens. Mr. Patten's spokesman, Kerry McGlynn, was unruffled by suggestions of disharmony at Government House.

"The feng shui can't be all that bad," Mr. McGlynn said. "When the governor moved in, the Hang Seng stock exchange index was a bit over 6,000 points. It's now a bit over 13,000."

TAXES: *Dispute Within EU*

Continued from Page 1

would only increase the scope for non-euro countries, of which Britain appears the most likely candidate, to undercut the single-currency group on taxes.

The debate reflected the fact that governments are only beginning to grapple with the broader implications that a single currency will have for the management of Europe's economy. Judging by its inconclusive outcome, the Union is likely to remain anything but a homogenous economic space of common rules and mentalities after 1999.

In contrast to the dispute over taxes, ministers put on a show of unity over the future European central bank, with Mr. Arthuis avoiding earlier French calls for creating a political counterweight to the bank. Mr. Arthuis was able to claim a growing convergence around a French proposal for an informal council of finance ministers from countries adopting the euro, noting that Mr. Waigel's deputy, Juergen Stark, had endorsed the proposal in an interview in Monday's Handelsblatt newspaper.

Jean-Claude Juncker, the Luxembourg prime minister and finance minister, predicted the Union would agree on such a council to allow politicians to "talk but not negotiate" with the independent central bank. At its core, the tax debate reflected the dilemma of several EU countries, notably Germany and France, which must increase revenues to meet the deficit requirement for a single currency but cannot increase tax rates, which are already high, without stifling economic activity or encouraging tax evasion.

But the skeptical comments of Finance Minister Ruari Quinn indicated that Ireland feared harmonization would hamstring Europe's more dynamic economies by forcing them to adopt the high tax rates and labor-market rigidities prevailing on the Continent.

Finance Minister Philippe Maystadt of Belgium complained about Irish tax incentives, citing a decision this month by Boston Scientific Europe, the arm of an American medical equipment company, to shift Belgian operations to Ireland with a loss of 273 jobs.

Mr. Juncker sought to make the point that Luxembourg was not the only problem country for Europe's tax authorities. He drew laughter when he recounted having received a letter at home from a Belgian bank claiming he could avoid tax at home by opening a nonresident account in Belgium, a country not widely known for tax advantages.

GERMANY: *Rights Report Toughens U.S. Criticism of Bonn's Treatment of Scientology*

Continued from Page 1

hardly a major source of friction, the issue has a high decibel level because of the involvement of such noted Scientologists as the actor Tom Cruise.

The subject is emotional also because of charges by the Scientologists that Germany's treatment of them recalls the Nazis' persecution of the Jews — a charge guaranteed to infuriate Germans.

Bonn says it is trying to rein in what it regards as a dangerous and subversive organization because of the government's commitment to maintain an open democracy and not repeat errors of its past.

The Clinton administration has been trying to walk a fine line, standing up for the principle of freedom of worship but distancing itself from the Scientologists' denunciations of a democratic ally.

"We have criticized the Germans on this, but we aren't going to support the Scientologists' terror tactics against the German government," said the State Department spokesman, Nicholas Burns, criticizing statements from church supporters likening the campaign against Scientology to the Nazis' anti-Semitic programs.

Mr. Burns and other officials said the issue was not whether Scientology was good or bad, benign or malevolent.

They said the United States was obliged to support the church in the dispute between Germany and the Scientologists because German actions may have infringed on the rights of U.S. citizens who are Scientologists by encouraging a boycott of Mr. Cruise's movies and restricting performances by the jazz pianist Chick Corea, another Scientologist.

Scientology is a fast-growing international organization, founded in the 1950s by the American science fiction writer L. Ron Hubbard, whose writings remain the group's guiding texts. Its aims, as laid down by Mr. Hubbard, are "a civilization without insanity, without criminals and without war, where the able can prosper and honest beings can have rights, and where man is free to rise to greater heights."

The Church of Scientology claims 8 million members worldwide, including about 30,000 in Germany. A church spokesman said that because Scientology teaches that "man's fundamental nature is not evil," it has stirred hostility in particular among conservative Christian theologians in Germany.

Scientology has fought long battles for legal acceptance as a religion and has succeeded in many countries, including the United States. The Internal Revenue Service refused for decades to accord to Scientology the tax-exempt status long granted mainstream churches, but since 1993 the church and its corporate entities have had the same tax status as other religions.

To the German government, however, Scientology is not a legitimate religion but a greedy, cult-like organization built on "pseudo-science," in which "membership can lead to psychological and physical dependency, to financial ruin and even to suicide," according to a position paper distributed by the German Embassy in Washington.

The paper says that "the German government has not taken any legislative action against the Scientology organization," but that some German state governments have.

The Church of Scientology, however, has posted on its World Wide Web site a long, footnoted document saying that its adherents in Germany are "the targets of systematic discrimination in every strata of society as part of an insidious exclusionary policy initiated, encouraged and sanctioned by the government. Scientologists are routinely dismissed from jobs, dismissed from schools, dismissed from political parties, dismissed from social, business and political organizations, denied the right to professional licenses, denied the right to perform their art, denied the right to open bank accounts and obtain loans and denied the right to use public facilities and concert halls."

The Scientologists say they are "blacklisted, boycotted, vilified, ostracized and threatened" because of their church membership.

A Greek judge recently ordered a church center in Athens closed after finding that Scientology is "an organization with medical, social and ethical practices that are dangerous and harmful."

An Italian court last month ordered jail terms for 29 Scientologists found guilty of "criminal association." In France, a prominent Scientologist was sentenced to 18 months in prison in November by a Lyon court that held him responsible for the suicide of a church member who was unable to pay for church-sponsored courses.

On Jan.16, several prominent Americans placed a full-page "Open Letter to Helmut Kohl" in several newspapers, including the International Herald Tribune, appealing for an end to the "shameful pattern of organized persecution" of Scientology. Among the signatories were Dustin Hoffman, Goldie Hawn, Gore Vidal, Mario Puzo, Oliver Stone and Larry King.

The letter caused a sensation because it likened Germany's treatment of Scientology to its persecution of Jews in the 1930s.

Mr. Burns, while deploring Germany's actions against Scientology, reacted to the ad by calling the open letter "outrageous."

In a letter to the International Herald Tribune, Abraham Foxman, national director of the Anti-Defamation League, agreed with Mr. Burns. He said that any effort to equate what is happening to Scientologists with what happened to Germany's Jews was not only "historically inaccurate, it is also an affront to the memory of the 6 million Jews murdered during the Holocaust."

The letter to Mr. Kohl was drafted by Bertram Fields, a prominent show business lawyer in Los Angeles, who said that the signatories were not Scientologists and that the church did not ask him to do it. He said he took up the cause of Scientology because Mr. Cruise is a client and his movie "Mission Impossible" faced a boycott in Germany because of Mr. Cruise's church membership.

Mr. Fields said that German outrage over the Nazi comparison was a "red herring" because the open letter talked only about restrictions on Jews during the early years of Hitler's rule, not the "final solution" that came later.

Mr. Burns said he had discussed this point with Mr. Fields and had rejected Mr. Fields's argument.

SWISS: *Ambassador Quits*

Continued from Page 1

and of the search for justice for people who had their human rights fundamentally violated during the Second World War," the State Department spokesman, Nicholas Burns, said in Washington.

"It is very troubling," he said.

Mr. Burns said the ambassador's notion of launching a crusade against the American critics of his government, if accurately portrayed by the printed excerpts of his cable, was "just wrong-headed."

He defended the work of Jewish groups and of Mr. d'Amato, who as chairman of the Senate Banking Committee has vigorously pushed for the release of secret archives that would shed light on the relationship between Swiss banks and the Nazi regime.

Mr. Jagmetti contended that the citations had been taken out of context, and he expressed regret for having caused any offense.

Foreign Minister Flavio Cotti said in Bern the cabinet had decided to accept Mr. Jagmetti's resignation and would ask prosecutors to investigate how the document had been turned over to SonntagZeitung.

He said the cable's hostile attitude stood at odds with the government's strong conviction that everything had to be done to pursue a civil and decent dialogue with interested parties, particularly the Jewish community.

VOLVO: *Chief Executive Resigns, Prompting Changes at Top of 2 Other Swedish Firms*

Continued from Page 1

faced "a number of important strategic and structural decisions that will have consequences extending far into the future," adding that his decision to leave in April was prompted by his view that "this is the proper time to pass the baton."

Volvo's shares in Stockholm closed at 180 kronor ($25), up 3.

Volvo's chairman, Bert-Olof Svanholm, said at a news conference in Stockholm that while Mr. Gyll concentrated on transforming the group from a conglomerate to an automobile operation, his successor, Mr. Johansson, would focus on marketing and competition. "With Leif we've found the best person that fits our criteria: a large, international company, used to heavy competition with consumer products.

"He's a Swede and young," Mr. Svanholm said, adding that if Mr. Johansson could manage to make refrigerators "sexy" at Electrolux, he could turn Volvos into "sexy cars, too."

Volvo's chairman said the new chief executive should identify "new niches and segments" in which Volvo can grow.

Shares in Electrolux rose 12 kronor to close at 438.

Analysts said shareholders seemed either pleased with the move of the company's chief to Volvo or elated at the arrival of his replacement, Mr. Treschow. Of the three managers, Atlas Copco's Mr. Treschow has realized a return on investment of 27 percent over the last four years. By contrast, Electrolux has had a return of 15 percent, and Volvo has managed 22 percent.

Atlas Copco shares finished Monday at 168.5 kronor, down 1.

"I think it is dangerous to read more into these changes than what the company said," Mr. Lawson at Salomon Brothers said. "Gyll was a great dealmaker. He successfully sold off noncore assets and was a good manager, but automobile is not his industry. Now Volvo needs someone who handles the big ongoing program of selling their products and have people operate day-by-day fully up to speed."

During his four years with Volvo, Mr. Gyll has concentrated on transforming Volvo into a primary transport equipment group, focusing on the making of cars and trucks. Now, analysts said, Volvo needs someone good at selling these products in the face of growing worldwide competition.

Mr. Lawson said Volvo and the Japanese automaker Mitsubishi Corp. have had a relationship and discussions for some time, which could lead to further moves.

The Swedish automaker also has been rumored to have held talks with Chrysler Corp., the No. 3 U.S. automaker.

INTERNATIONAL

Liberian Militias Hand In Guns

Disarmed Fighters Find Old Enemies Aren't So Bad

By Howard W. French
New York Times Service

MONROVIA, Liberia — Outstripping expectations, thousands of fighters from this country's rival militias have been turning in their weapons in recent days in compliance with a disarmament program intended to dissolve Liberia's armed factions formally by the end of this month.

In some of the most hopeful scenes this country has seen since the capital, Monrovia, was devastated nine months ago in weeks of fighting and looting, the disarmament program has steadily gained momentum as militia members have lined up at 11 centers around the country to surrender their arms.

The disarmament drive is part of an ambitious transition plan set up by the Economic Community of West African States, or Ecowas, which has maintained thousands of peacekeeping troops in Liberia through most of the country's ferociously destructive seven-year civil war.

Under the transition plan, which was negotiated last year with Liberia's principal armed factions, the country's militias will be considered outlawed as of Jan. 31. After that, the peacekeepers say, any Liberians still armed will be arrested.

The peace plan is expected to culminate on May 30 with internationally supervised elections to select a new president and seat the first broadly recognized government since the assassination of the military dictator Samuel Doe in 1990.

"We have demobilized, say, 10,000 men, and recovered over 5,000 arms, and there are encouraging signs of a real acceleration," said George Nagash, a senior UN official here. "Liberia is not about to become an arms-free society. But things are moving in the right direction, and that is an important psychological achievement."

Estimates of the number of combatants have ranged from as high as 60,000 to the Liberian government's current estimate of about 23,000.

'We have demobilized, say, 10,000 men, and recovered over 5,000 arms. Liberia is not about to become an arms-free society. But things are moving in the right direction, and that is an important psychological achievement.'

For many, what has been just as impressive as the quickening pace of disarmament has been the chemistry among the demobilized fighters themselves.

By late morning on Saturday, scores of members of rival factions stood under a hot sun at the Randall Street demobilization center in downtown Monrovia. As they gave up everything from shiny new grenade launchers and machine guns to battered and rusty assault rifles and loose bullets, many of the men who were only recently sworn enemies seemed surprised by their easily forged camaraderie.

"We are friends now," said Bobby Thurman, 40, who fought under the nom de guerre "One Way" with a faction known as the Liberia Peace Council. "During the war, if you saw your enemy there was no room for compromise. But we realize what this war has done to our people, and we have to move on."

As Thurman spoke, John Queeh, 32, from the National Patriotic Front of Liberia, the Liberia Peace Council's bitterest rival, listened in, nodding approvingly.

Asked if he owed any allegiance to Charles Taylor, the Patriotic Front leader who launched war in 1989 and is now determined to win the presidency in the May election, Mr. Queeh barely contained a sneer.

"I worked under that man for seven years, and got no pay or benefits," Mr. Queeh said. "I am free to vote for a new choice now. Charles Taylor is not my god."

Comments like these were echoed in conversations with one militia member after another, who have concluded that the conflict had made their leaders rich, from trafficking in gold, diamonds and timber, but left the fighters themselves as poor as ever, with families shattered.

In the end, many observers feel that what will determine the success of the transition plan is how effectively the international community can help devise and support programs to retrain former militia members, giving them a new start in life, and to help rebuild an economy for this potentially rich land.

Robert Grossman/The New York Times

Hundreds of militia members standing in line to turn in their arms in the town of Gbarnga. Thousands have been disarmed.

For now, the demobilized are being given a month's food, a radio or other small items and, in a few cases, temporary work repairing roads or help with farming.

UN officials say that about one-third of the militia members were under the age of 18, and many of these have already begun remedial schooling.

Beyond disarmament, many other details that may prove critical to the success of Liberia's political transition remain to be worked out.

Perhaps the most important is guaranteeing a free election in a country with little tradition in this area.

Under a political arrangement that is a legacy of one of many past failed attempts to settle the country's civil war, each of Liberia's main faction leaders occupies a seat on a ruling council of state.

The current transition program calls for the faction leaders to resign from these positions next month. However, using their control over government, the warlords have placed surrogates in the country's crucial agencies, including the electoral commission.

Liberian civic groups and foreign donors have been demanding that the electoral commission be disbanded and replaced with a totally independent election authority. Led by Mr. Taylor, however, some faction leaders seem to be hedging their bets over the election by resisting such reforms.

"We can't let the faction leaders believe that just because we want peace we will let them run away with the process," said Samuel Woods, head of the Liberian Roman Catholic Church's Justice and Peace Commission. "If not, we will be stuck in the same mess forever."

This Time, Netanyahu Makes Spotless Choice

'Mr. Clean' Picked for Attorney General

Reuters

JERUSALEM — Prime Minister Benjamin Netanyahu, whose previous choice of attorney general has ensnarled him in a criminal inquiry, nominated a replacement hailed Monday as "Mr. Clean."

Elyakim Rubinstein, a 49-year-old Jerusalem court judge, has the distinction of having served as cabinet secretary in governments of both Mr. Netanyahu's rightist Likud party and the late Yitzhak Rabin's Labor Party.

He made history in Madrid in 1991 as chief negotiator at Israel's first peace talks with Jordan and the Palestinians. Extending a hand to them under the glare of television lights, Mr. Rubinstein addressed the Jordanians and Palestinians as "my friends."

"I believe he will add a lot of honor and a lot of accountability to the judicial system in Israel," Mr. Netanyahu said in announcing the appointment late Sunday.

Many across the political spectrum agreed, contrasting with the convulsions caused by his previous appointment of Roni Bar-On, a lawyer from Jerusalem who was active in the Likud party.

The Labor leader, Shimon Peres, when asked what he could say about Mr. Rubinstein, told Israel Radio: "Only good things. He is an extraordinarily intelligent guy."

Cabinet approval is expected Wednesday.

Mr. Bar-On resigned 12 hours after taking office, caught in a swirl of criticism over having gotten the job more for his Likud loyalty than legal acumen. Then a television report gave rise to charges that the appointment was not only poor judgment but also criminal.

On Sunday, the police began an inquiry into the Channel One television report that Mr. Bar-On's appointment was part of a deal with the leader of the strictly religious Shas party, Aryeh Deri, on trial on charges of bribery and fraud.

The report said Mr. Deri demanded Mr. Bar-On's appointment in return for his party's support of Mr. Netanyahu's accord with the Palestine Liberation Organization on an Israeli pullback from the West Bank town of Hebron. As part of the deal, Mr. Bar-On allegedly promised Mr. Deri a plea-bargain.

Mr. Bar-On, Mr. Deri and Mr. Netanyahu all denied the charges. Mr. Netanyahu asked for an inquiry.

Paris Rejects Call for Move On Algeria

Reuters

COPENHAGEN — France's foreign minister, Herve de Charette, on Monday rejected an opposition call for a French initiative in Algeria, saying that it was a sovereign state that must resolve its own problems.

At a news conference during a visit to Denmark, Mr. de Charette was asked for his response to a plea by the leader of France's Socialists, Lionel Jospin, for Paris to lead an effort to restore peace to the former French colony.

"Algeria is an independent country, and for the moment we think it is the responsibility of the Algerian people, Algerian leaders, to find solutions to their own problems," Mr. de Charette said before leaving for Sweden.

In an interview published in the leftist French daily Liberation on Monday, Mr. Jospin said that France should consult its European neighbors and lobby for greater dialogue between Algeria's government and the opposition. His call was published a day after a rally in Algiers in which protesters called for dialogue with fundamentalist Muslims.

"I believe the international community must wake up," Mr. Jospin said. "Nobody moves in Europe because France does not move."

Muslim rebels accuse Paris of supporting Algeria's military-led government and have threatened bombings on French soil. They are believed to behind lethal blasts in 1995 and 1996 in Paris.

Mr. Jospin said Paris should speak out despite the risk, saying France had already been targeted and continuing violence in Algeria would only worsen the danger.

He assailed both the rebels' "fanatical terrorism martyring the population" and the Algerian government, saying it intimidated nonviolent opponents and was sometimes brutal in repressing the rebels.

"The Algerian government will overcome terrorism, modernize the country and return some hope to the population only if it accepts some evolution and particularly dialogue with democratic forces," he said.

In a speech Friday, President Liamine Zeroual of Algeria accused the legal opposition of having a hidden agenda of surrendering the country to Muslim guerrillas, who are deemed responsible for bombings and massacres that have killed more than 250 people this month.

In Algiers, meanwhile, three gunmen shot and killed a member of an anti-fundamentalist party, Rally for Democracy and Culture, an Algerian newspaper reported Monday.

The party member, Said Rabhi, was killed outside his home in Kouba, on the heights of Algiers, El Watan said.

BRIEFLY

Report on Biko's Killers Denied

CAPE TOWN — The South African truth commission on Monday denied a newspaper report that the killers of the black consciousness leader of the 1970s, Steve Biko, had come forward and sought pardon.

Phila Ngqumba, a spokesman for the Truth and Reconciliation Commission, said the riddle of Mr. Biko's death in police custody in September 1977 had not been solved. Responding to a newspaper report naming five former policemen as Mr. Biko's killers who said they had decided to seek amnesty, the spokesman said, "We have not received any amnesty application concerning Biko's death."

Mr. Biko, who died of brain damage in a Pretoria prison cell, was the most prominent black activist to die while detained without trial under security laws used to suppress opposition to apartheid. *(Reuters)*

Netanyahu Sees New Syria Talks

JERUSALEM — Prime Minister Benjamin Netanyahu said Monday that he expected stalled peace talks with Syria to resume, but reiterated that his government viewed the disputed Golan Heights as critical to Israeli security.

Israel-Syria talks stalled 11 months ago, even though Syria and the previous Labor government were close to a deal that would have returned the Golan, seized in 1967, to Syria in exchange for peace. Mr. Netanyahu has refused Syria's demand that he resume the talks from where they left off and embrace his predecessors' commitments.

But he said, "I assume that with mutual goodwill and the help of the United States, we will reach a formula that will enable the renewal of direct talks." *(AP)*

France Sends Aid to Madagascar

ANTANANARIVO, Madagascar — The French military was sending a plane, a helicopter and rescue workers to Madagascar on Monday to aid relief efforts, officials said.

More than 100 people were reported dead or missing in the aftermath of a cyclone that left 30,000 homeless. The cyclone, designated Gretelle, packed winds of up to 250 kilometers per hour (155 miles per hour) Friday night when it hit the Indian Ocean island. *(Reuters)*

Japan Fears for Lima Hostages

LIMA — Japan asked Peru on Monday to limit police maneuvers around the Japanese ambassador's home in Lima, fearing they could unsettle the 72 hostages held by Marxist rebels inside.

In an apparent effort to unnerve the hostage-takers, police have thrown stones and garbage into the grounds, flown helicopters overhead and moved in armored vehicles and men with high-powered rifles. The rebels have responded by firing shots into the air and shouting that they would not surrender. *(Reuters)*

The Shared Falkland Islands?

BUENOS AIRES — The Argentine president's idea of sharing the Falkland Islands with Britain would require a constitutional referendum, Foreign Minister Guido Di Tella said in an interview published Monday.

President Carlos Saul Menem proposed in December to share the Falklands with Britain — a proposal that London flatly rejected. Britain won a war with Argentina over the islands in 1982. *(Reuters)*

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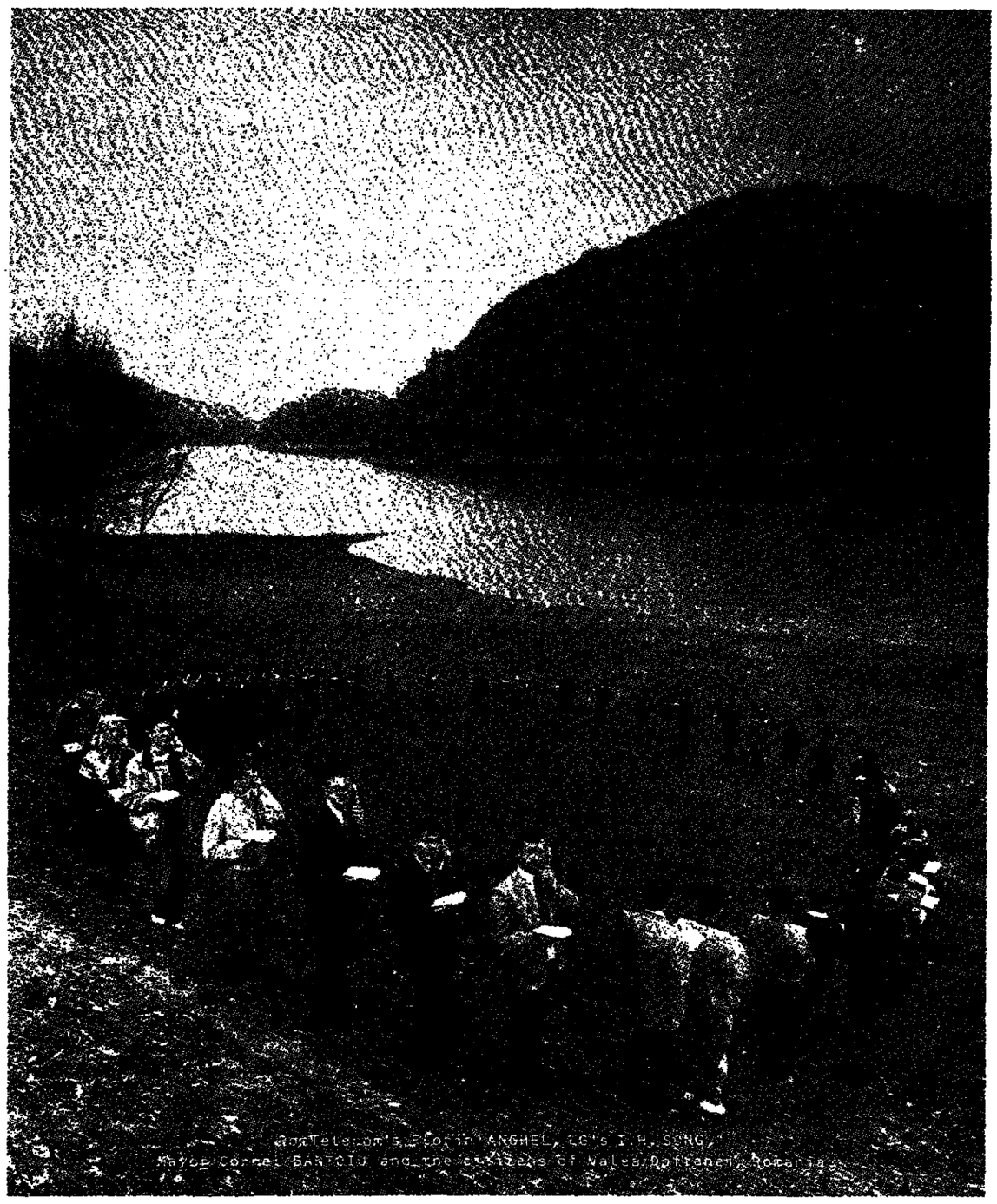

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EDITORIALS/OPINION

Herald INTERNATIONAL Tribune

PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

Ads Everywhere

A company in Sweden is offering free long-distance telephone service. The catch? Callers have to listen to 10-second commercials before talking, after one minute of conversation and, according to a report in the Financial Times, every three minutes thereafter.

What a good idea! Some people may have thought that their lives already were saturated with invasive advertising. Sunday's Super Bowl consisted of extravagantly produced commercials wrapped around snippets of football, and even the on-field action was replete with built-in advertising — Brett Favre's Nike cap, Jim McMahon's Reebok shoes and so on. Public television's brief thank-yous to sponsors have grown longer and longer, suspiciously beginning to resemble what other networks call "commercials," and some successful television channels consist of nothing but advertisements and sales.

And it's not just television. These days, while airline reservation agents keep you on hold, they occupy your time with advertisements for themselves. Stadiums and arenas now all come with company logos attached (the Inaugural Committee obviously missed an opportunity there). Cash-strapped towns have reportedly sold advertising space on the sides of school buses and police cruisers. Companies have tried beaming ads into classrooms and doctors' waiting rooms.

But this latest innovation from Sweden proves that we are not even close to saturation, and anyone who says otherwise is being unnecessarily pessimistic. The genius of Gratistelefon (that's the Swedish firm's name) is to offer advertising in exchange for a service that people want, and to really integrate it into customers' lives.

It is a formula that could be extended. Who wouldn't put a few billboards on, or inside, his house in exchange for shaving a point or two from the mortgage? Think how you could contain those rising health care costs if patients would accept an occasional commercial piped into the operating theater, recovery room or magnetic resonance scanner. Would Beethoven really object to a brief message between movements if it lowered the price of a CD? Even newspapers and magazines, which have sold ads from the beginning, have something to learn about integrating the message — say, right here; how much harm would a sentence or two on our favorite soft drink do? — into the medium.

Now, we have to admit that an expert at Advertising Age was skeptical about Gratistelefon's prospects. She pointed out that most attempts to integrate advertising into the Internet have failed miserably, and she suggested that constantly interrupting the conversations of potential customers would be "the worst possible presentation" for an advertiser.

Maybe she has a point. But constantly interrupting seems to us to be what commercials do best. And we can imagine resourceful people making good use of those interruptions. "Of course I wished you a happy birthday, Ma," you could say. "It must have been during the commercial break."

— *THE WASHINGTON POST.*

The Saudi Case

Americans cannot live with last summer's terrorist bombing in Saudi Arabia until those who carried out the attack are brought to justice and the financial and logistical help they received is made plain. Attorney General Janet Reno and Louis Freeh, the FBI director, have every reason to press the Saudi government to share information about the investigation of the June bombing, which killed 19 American airmen and wounded 500 others.

The American relationship with Saudi Arabia is complex and delicate, but candor is sometimes needed. Ms. Reno and Mr. Freeh have introduced some by complaining that unfulfilled promises of Saudi cooperation have prevented a thorough investigation of the truck bombing of the Khobar Towers apartment complex in Dhahran. They are particularly worried that the Saudi authorities will behead the primary suspects before Americans have a chance to question them.

That is what happened last year during the investigation of a 1995 terrorist attack against Americans in Riyadh. The execution of the main suspects prevented an exhaustive inquiry that might have determined whether there is a broader terrorist network in Saudi Arabia and the Middle East, possibly involving Iranian support.

The Saudi royal family wants American military protection but none of the complications that can come with it. The Saudi leadership is also reluctant to acknowledge that the kingdom may now be home to a violent opposition intent on overthrowing the monarchy and evicting American forces. Still, the Saudis ought to realize that their allergic reaction to American assistance in the bombing investigation is destructive to both Saudi and American interests.

The Clinton administration's impatience with the Saudi investigation has not been matched by an equal determination to hold accountable the American military officers who were responsible for the inadequate security in Dhahran. William Cohen, the new secretary of defense, should not condone efforts to excuse the negligence of Brigadier General Terryl Schwalier, the American commander in Dhahran.

The initial review of the bombing found no justification for disciplinary action, despite a Pentagon inquiry concluding that General Schwalier had failed to take essential steps to secure the apartment complex. If the final Air Force report, due soon, is not amended, Mr. Cohen should overrule it.

The military services seem to think that holding officers accountable for devastating blunders undermines morale and unfairly singles out individuals for punishment. The real danger to morale and professionalism is shielding officers from responsibility and setting no price for failure.

— *THE NEW YORK TIMES.*

Sacrificing Science

The U.S. National Academy of Sciences reports that federal spending on basic research and new technologies in 1997 will barely rise above 1996 levels, despite years of steady decline. Even worse, the five-year deficit reduction plan, as embraced by Congress and President Bill Clinton, will knock 35 percent out of the country's science programs by the year 2002.

The trend is ominous because research pays big dividends, accounting for perhaps half the growth in living standards and raising output by 30 cents or more on each invested dollar.

The National Academy estimates that Washington spends about $40 billion on activities that add to scientific knowledge. Biomedical research, primarily at the National Institutes of Health, gets about 30 percent of the science budget. The National Science Foundation, which funnels money into university research, accounts for only about 5 percent. Programs outside the Institutes of Health have fallen by about 10 percent since 1994.

If Congress and the president insist on balancing the budget by 2002 while giving away $100 billion in tax cuts, they may have to trim the total spending on discretionary programs by 30 to 40 percent. But some programs, like border patrols and public health, will be left alone. That will force Congress to take even more from programs like science, where there is no short-term payoff.

Mr. Clinton promised in 1992 that he would promote economic growth through public investments. The budget plan for 1998 that he will deliver to Congress early next month may propose only small reductions. But after 2000, he and Congress will find themselves on a destructive course.

— *THE NEW YORK TIMES.*

Other Comment

Deadlock in Algeria

In 1992, as the Algerian army intervened to prevent Islamic fundamentalists from being elected, it was widely believed that they would soon sweep the generals from power by force. But since then the army has consolidated its position, in particular regaining the confidence of foreign investors. Unless the Islamists can disrupt oil production in the south, they are unlikely ever to drive the military from power in Algiers.

— *Neue Zürcher Zeitung (Zurich).*

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Why Does America's Brilliant Run Seem Over?

By Bob Herbert

WASHINGTON — "What a century it has been!" said Bill Clinton at his inauguration last week. "America became the world's mightiest industrial power, saved the world from tyranny in two world wars and a long Cold War, and time and again reached across the globe to millions who longed for the blessings of liberty.

"Along the way, Americans produced the great middle class and security in old age, built unrivaled centers of learning and opened public schools to all, split the atom and explored the heavens, invented the computer and the microchip, and deepened the wellspring of justice by making a revolution in civil rights for African-Americans and all minorities and extending the circle of citizenship, opportunity and dignity to women."

It was the greatest, cockiest run in the history of the world. But why are we at such loose ends now?

For most of the century the United States had the energy and exuberance and impertinence of youth. We didn't just fight and win wars, we invented Hollywood and rock 'n' roll, and made jazz one of the great art forms of the world. We hit home runs and stole bases and hollered at the umpires. We drove fast, played hard and laughed long into the night. We had nerve.

What happened?

You got no sense from Mr. Clinton's speech that we are in for a similar run across the 21st century. For the moment, at least, we seem exhausted, rudderless, disoriented. Our great dreams have given way to a corrosive apprehension. The descendants of the soldiers who got in Hitler's face are afraid to ask their bosses for a raise.

Mr. Clinton did not address this in his speech, but Robert Reich, in his last major address as labor secretary, hit the matter head-on. As America continues to prosper, there is less and less of a sense that everybody has a stake in what is going on. More and more Americans are being left out.

The folks at the top are doing breathtakingly well. But the large mass in the middle has been forced to work harder and harder (two jobs, three jobs, four) just to stay in place. Those at the bottom are falling out of sight. Recent very modest wage increases are filling the elites with fears of inflation, but at the same time the inequality in earnings continues to widen.

"The remarkable thing about the first three decades after World War II," said Mr. Reich, "is that prosperity was widely shared. Most people in the top fifth of the income ladder saw their real incomes double, and so did most people in the bottom fifth. Broadly shared prosperity — the assumption that we were all in this together — highlighted and fortified something about the character of America that was the envy of the rest of the world."

That is now the stuff of nostalgia. Broadly shared prosperity is gone. What is left is great uncertainty and a sense of faintheartedness.

In an appendix to his speech, Mr. Reich wrote:

"From the 1950s through most of the 1970s the income of the poorest fifth of Americans grew faster than the income of the top fifth. Between 1950 and 1978 the inflation-adjusted family income of the bottom quintile grew by 138 percent, while the real income of the richest 20 percent of families grew by 99 percent."

But from 1980 to 1995 the inflation-adjusted earnings of adults in the highest brackets rose by 10.7 percent while the median worker's wages fell by 3.6 percent and those in the lowest brackets saw their wages decline by 9.6 percent.

"Wealth is even more unevenly distributed than income. Not only does the richest 20 percent of the United States hold the bulk of the total wealth, but over the period from 1983 to 1992 this group received some 99 percent of the total gain in wealth."

You cannot sustain the American dream with those kinds of numbers.

And the greatness of America is inextricably linked to the dream. The House Democratic leader, Richard Gephardt, in a speech on Friday before the Economic Policy Institute, referred to the widening gap between working families and the well-off as the nation's "one unacceptable problem."

America's great challenge as it moves into the endgame of the Clinton-Gingrich era is to find new leadership that points the way to honest solutions.

The New York Times.

Anti-Spin Reform, or Trying to Make Politicians Stop Lying

By Steven R. Weisman

NEW YORK — Now that the turmoil over Newt Gingrich's ethics violations has led to a reprimand, one aspect of the saga is being overlooked. The deal in which he admitted bringing discredit to the House involved a pledge not to belittle the charges against him.

The ethics panel's concern, according to James Cole, the special prosecutor, was to avert "spin" that would try to make the charges seem trivial.

Political reputations have been embellished at least since the Bible, or maybe Homer. But probably not until now has a politician been officially enjoined *not* to spin, or let his minions spin.

To its dismay, if not surprise, the ethics committee later concluded that Mr. Gingrich had violated the agreement. Thanks to a couple of electronic scanner buffs, he was revealed to have enlisted colleagues to dismiss his misdeeds as akin to jaywalking.

When the transcript became public, Republicans said it showed Mr. Gingrich actually complying with the no-spin deal, accomplishing the rare and extremely difficult fact-free double spin in full daylight.

In the end, the ethics panel chose not to do anything about all of this, perhaps concluding that telling Mr. Gingrich not to spin would be like telling him not to breathe.

The panel deserves credit for coming up with a novel concept of justice. Imagine if Richard Nixon's resignation and pardon had been tied to a pledge not to denigrate the charges against him. Politics would never have been the same.

The idea is not that far-fetched. According to an article by Stuart Taylor in The American Lawyer about the Paula Jones sexual harassment suit against Mr. Clinton, lawyers on both sides were discussing a possible settlement in which Mr. Clinton was to agree not to deny the charges outright.

When a zealous White House spinmeister leaked word to CNN that Ms. Jones was dropping her suit because she knew she had no case, Ms. Jones's lawyers charged a breach of faith and broke off the settlement talks.

Spinning usually does not get presidents into trouble. On the contrary, historians say Franklin Roosevelt was good at it and John Kennedy was brilliant. After the 1961 summit meeting in Vienna, for example, Mr. Kennedy's aides put out the word that he had stood up well to Nikita Khrushchev, the Soviet leader, whereas it later turned out that he had been eaten alive.

Not until 1984, according to William Safire's "New Political Dictionary," did the term "spin" enter into popular use.

That was when a phalanx of aides to Ronald Reagan — the original "spin doctors" — entered the press room like a flying wedge, bent on convincing reporters that Mr. Reagan had won the first campaign debate with Walter Mondale when it was obvious to anyone who had witnessed it that he had lost.

One definition of progress (or linguistic decline) is that nowadays we have a television show called "Spin City," and press rooms at presidential debates with cordoned-off sections for spin doctors.

We also have Sunday morning talk shows with retired spin doctors like George Stephanopoulos and David Gergen helping to satisfy America's apparently unlimited appetite for opinions, especially unconsidered opinion.

Spinning is such a part of the atmosphere that it took about 17 seconds after Mr. Clinton's second inaugural address for conventional wisdom among television commentators to decide that it was a flop.

Small wonder that politicians want to get out first with their own spin, even if they have to create the opportunity by promising not to spin.

The significance of the Gingrich case is that if spinning is unavoidable, mixing it up with judicial or quasi-judicial proceedings is risky.

Nonetheless, it is happening. When James Carville, another Clinton spin doctor, went on the attack against Kenneth Starr, the Whitewater special prosecutor, some Republicans declared that he and the president might be guilty of conspiring to obstruct justice.

Maybe someone ought to broker a deal in which President Clinton, Speaker Gingrich and various others pledge to stop themselves before they spin again.

It could never be enforced, of course, since both sides would want to put their spin on who actually got the better part of the deal.

The New York Times.

From the Syrian Side, a Claim That a Deal Was in the Making

By Anthony Lewis

BOSTON — The head of Syria's delegation in the peace talks with Israel says that the late Prime Minister Yitzhak Rabin made a commitment to withdraw from all of the Golan Heights as part of a peace agreement, and that his successor Shimon Peres reaffirmed the commitment.

Walid Moualem, the Syrian ambassador to the United States, makes that among many points about the negotiations, in an interview in the Journal of Palestine Studies. His comments are an unusually detailed statement of the Syrian view.

He said that last January the talks were going so well that the two sides set a deadline of June "to close the remaining gaps," with the expectation that "by September the final document would be ready."

Then Mr. Peres called early elections, terrorist bombs struck Israel and the Syrian-Israeli negotiations were suspended.

The interviewer, Linda Butler, managing editor of the journal, asked Mr. Moualem "through what medium" Mr. Rabin had conveyed his withdrawal offer. He replied, "I prefer not to say."

But he said the offer was repeated in the negotiating room at the Wye Plantation in Maryland. "And I told Dennis Ross," the American facilitator in the talks, to "please register what the Israeli side said."

Because the aim was "a comprehensive agreement," Mr. Moualem said, the parties did not sign points agreed but deposited them with the Americans until all the issues had been resolved.

The main matters to be negotiated, apart from the Syrian demand for total withdrawal from the Golan, were security arrangements and normalization of relations.

Itamar Rabinovich, who as Israeli ambassador in Washington played a significant part in the talks, took a very different view of what happened when I telephoned him. He has returned to a history professorship at the University of Tel Aviv.

"There was no agreement" on withdrawal, he said. "There was no commitment, there was no promise." If Mr. Moualem heard something from someone on the Israeli side, Mr. Rabinovich said, "it was not deposited with the Americans."

As for finishing an agreement by September if the talks had continued, the Israeli said, "I don't think this would have happened."

What really occurred, Mr. Rabinovich said, was that Mr. Ross and other American participants, seeking to bridge the gap, were given to understand by the Israelis that full withdrawal "was in the realm of the possible" — but only if Syria met Israel's needs on security and normalization. And "the Israeli conditions were never met."

He called the Moualem interview "a very interesting document, the most explicit and detailed Syrian comment on these negotiations."

Mr. Moualem said Prime Ministers Rabin and Peres both "wanted to achieve a settlement with Syria, but each had his own speed and conditions." Mr. Rabin "was reluctant, suspicious, very cautious. He moved very slowly, inch by inch. When Peres became prime minister, he was in a hurry." Mr. Rabinovich said he agreed that "Rabin was too slow and Peres too quick."

On security issues, Mr. Moualem underlined Syrian rejection of Israel's proposal for a ground station in the Golan after withdrawal. "We would refuse," he said, "even if it would be manned by Americans."

On normalization, he said totally open economic relations would not work when Syria had a per capita income of $900 a year and Israel $15,000. He said the parties had discussed "a transitional period in which we could raise our economy to the level where there can be competition without undue hardship on our society."

The interview makes clear how bleak the prospect is now for the Israeli-Syrian talks. Mr. Moualem said Syria was ready to resume them if the new Israeli government of Benjamin Netanyahu recognized "the commitments made by the previous governments." Mr. Netanyahu, who has opposed withdrawal, said only last week that the Golan was "critical to the defense of the state of Israel."

"Nothing can compensate the Syrian people for losing one inch of the Golan," Mr. Moualem said. "Not even the moon! It is a sacred cause ...

"That is where we stand. The American efforts are now focused on the Palestinian track. We don't mind. We are not in a hurry."

The New York Times.

Syrian Lebanon

OUTSIDERS fail to recognize the link between Lebanon's economic recovery and human rights. And human rights cannot be restored without addressing the role of Syria in the country's affairs.

Syrians' human rights have been severely curtailed, and real personal incomes and living standards have steadily deteriorated. More recently, Lebanon, once the region's center of culture and business, has begun to mimic Syria.

The Syrian army entered Lebanon in 1976, and cemented its supremacy there in October 1990. Hafez Assad has since ruled Lebanon unchallenged.

Senior Syrian military officers act like high commissioners, bolstered by a local political establishment interested in lining its own pockets.

Mr. Assad has enforced greater stability in pure security terms in Lebanon, but the international community should wake up to the price the region will pay if the current repression continues.

— *Muhammad Mugraby, in The Washington Post.*

Picking On Airline Passengers

By Greg Nojeim

WASHINGTON — Next month, a commission on aviation security headed by Vice President Al Gore will recommend measures that, if implemented, would turn American airports into virtual Checkpoint Charlies.

Airlines would be required to maintain a data base with personal information about each passenger to determine whether the passenger should be subjected to heightened security measures.

Those who fit the profile, or whose names appear on a secret "watch list," for international flights, would be subjected to procedures such as intrusive personal questioning, a dog sniff of their luggage, or a luggage search involving sophisticated new devices that act like CAT scans.

Worst of all, the FAA is already working with private companies to develop imaging technologies capable of projecting a naked image of a person under his or her clothing in the search for explosives and contraband.

Profiling will not stop airline bombings any more than it stopped hijacking. There were 28 hijackings of U.S. passenger aircraft in 1972, despite profiling to determine whose carry-on luggage would be X-rayed.

In fact, the profiles that are held up as models for the United States to follow are ineffective and discriminatory.

Profiles do more than screen out frequent flyers and families with children. They in effect select people who fit the stereotype of a terrorist. They frequently discriminate on the basis of race, religion or national origin.

The problem with profiles from a security standpoint is that those who do not "fit the profile" are given only cursory attention, or no attention at all. It is all too easy for a passenger who "fits the profile" to hire or dupe a frequent flyer to plant the bomb.

Passengers soon may learn that they are in the suspect class. The FAA has begun to deploy in busy airports luggage-imaging devices that have a high "false positive" rate. Passengers fitting the profile who already have checked their bags occasionally will be called from the waiting lounge in full view of other passengers to open their checked luggage for security personnel who are looking for bombs.

The government has no business requiring airlines to track passengers' travel and other personal information to determine who fits a preconceived notion of the type who would blow up a plane.

This profiling system will fail, and when it does, the proponents of profiling will not admit that it doesn't work; they will insist that it could work better if only more personal information about passengers were made available.

Already, the Gore commission is considering whether criminal history data bases maintained by law enforcement agencies could be queried to make the profile "better." If the commission were serious about security and civil liberties, it would reject profiling and embrace measures to:

- Require full "baggage match" to foil bombers who might leave a plane after planting a bomb in checked luggage.
- Eliminate discriminatory security screening.
- Impose strict limits on dissemination of passenger travel data and the use of overly intrusive searches.

Privacy and the other liberty interests related to the fight against terrorism deserve far more discussion than the Gore commission has allowed.

The writer, a legislative counsel at the national office of the American Civil Liberties Union, contributed this comment to The Washington Post.

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1897: Siberian Railway

ST. PETERSBURG — The most wonderful example of Russian diplomacy for many years has been the manner in which the Manchurian Railroad came into existence. A year ago, many said how impossible it was that the great Russian Siberian railroad should pass through Manchuria. It would mean war, so they held. Russia said nothing. She entered into a cordial "entente" with China to protect her integrity. To-day the engineers contract to complete the Manchurian line within five years from the commencement of working.

1922: Passive Women

CHICAGO — Mrs. Edith McCormick, Mr. John D. Rockefeller's daughter, who recently divorced her husband and is now introducing psychoanalysis to Chicago, delivered a lecture before the Chicago Woman's Club yesterday [Jan. 27]. "The world's work is accomplished by two forces, positive and negative. Man is the positive force, woman the negative. If women want happiness, poise and serenity of soul, they must know their limitations and their handicaps. To be passive is a woman's great forte."

1947: Al Capone Dies

MIAMI BEACH — "Scarface" Al Capone, Chicago's gangland chief during the bloody prohibition era, died Saturday [Jan. 25] at his Palm Island estate. He was forty-eight years old. Capone's mother, his wife and son were at his bedside in the twenty-five-room villa where he had lived since his release from Federal prison, where he had served a term for income-tax evasion. The mind which once directed a $100,000,000 yearly illicit business had been weakened by paresis.

OPINION/LETTERS

Scientology, Hollywood And the Power of Money

By Frank Rich

NEW YORK — In recent weeks, Ted Turner has likened Rupert Murdoch to Hitler, Gloria Steinem has likened Larry Flynt to a Nazi and Richard John Neuhaus, the neoconservative theologian, has likened the United States to Nazi Germany. But when it comes to loose talk that trivializes both Nazism and the Holocaust, leave it to Hollywood to do so in the grand manner we expect from an industry that can dream up "Evita."

Earlier this month, 34 show-business heavies, ranging from Goldie Hawn, Dustin Hoffman and Oliver Stone to studio heads, signed a $56,000 full-page ad in the International Herald Tribune scolding Chancellor Helmut Kohl of Germany for his government's "shameful pattern of organized persecution" of the Church of Scientology. Drawing parallels between today's Germany and Nazi Germany, the "open letter" ominously added: "In the 1930s, it was the Jews. Today it is the Scientologists."

In a word — Oy! This proclamation has provoked outrage not only from German officialdom but from Jewish leaders like Ignatz Bubis, president of Germany's Central Council of Jews, who called it "insulting to the memory of the Holocaust's victims." In America, Abraham Foxman of the Anti-Defamation League also protested Hollywood's missive as "ludicrous" and "an affront" to the 6 million dead. "Even after 'Schindler's List,' they're totally ignorant," says Mr. Foxman of the ad's participants.

Why have so many Hollywood names, none of them Scientologists and many of them Jewish, invoked the Nazis on behalf of Scientology? At least half of the 34 signatories have past or present professional ties to Tom Cruise and John Travolta, Scientology's most famous recruits. Others may be along just for the ride, but still others, as one producer put it, "would like to be making a movie with Tom Cruise or John Travolta as soon as possible."

The ad was conceived by Bertram Fields, Mr. Cruise's lawyer, who says he became alarmed when the youth wing of the Christian Democratic Union, Chancellor Kohl's party, called for a boycott of "Mission Impossible" because Mr. Cruise, the star, is a Scientologist. (Hardly the equivalent of a Nazi book-burning, given that "Mission Impossible" was a hit in Germany, grossing $23.6 million there.) Mr. Fields says his client knew nothing of the ad, which was prompted by his own outrage. He also points out that its text scrupulously refers to Germany in the pre-Holocaust 1930s, never mentioning the death camps.

Mr. Fields's defense of the ad makes sense — up to a point. It is true that Germany has vilified Scientologists and denied them civil liberties, as other impartial observers have noted. It's also true that Hollywood's open letter doesn't mention the death camps. But the ad still trivializes the Holocaust.

Michael Berenbaum, the Georgetown University professor of theology who was research director of Washington's Holocaust museum, notes that Germany's measures against Scientologists, however offensive and worthy of protest, fall considerably short of a prelude to genocide.

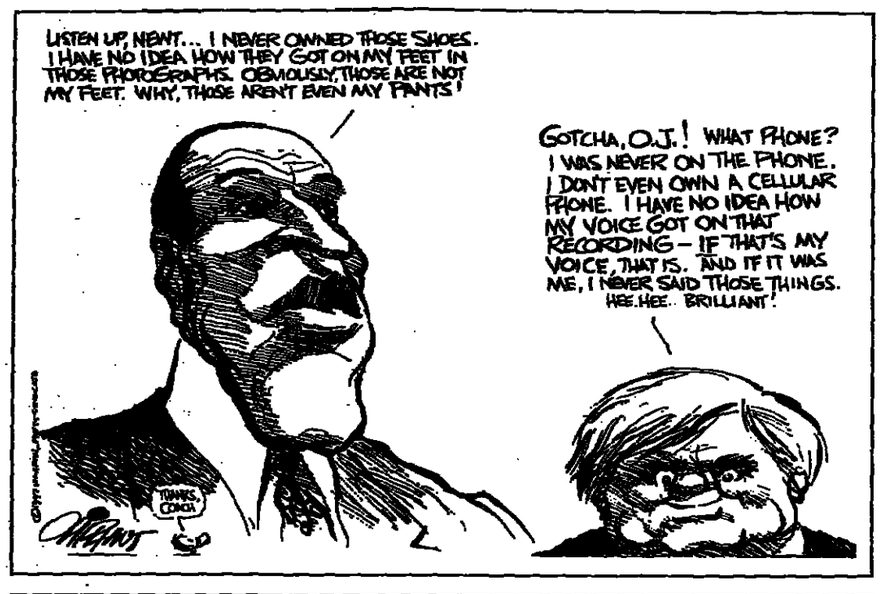
And he doesn't think the ad can get off the hook simply by limiting its historical analogies to Germany in the '30s. "When we close our eyes and think of Nazi Germany, we don't distinguish between before and after '39," he says.

What makes the ad even more frivolous is that it studiously ignores the controversy over Scientology itself — which is at least as heated as the controversy over Germany's treatment of Scientologists. Flo Conway's and Jim Siegelman's book "Snapping" and a May 1991 Time cover story have most recently raised serious questions about this group, with Time arguing it is "a hugely profitable global racket that survives by intimidating members and critics in a Mafia-like manner."

Mr. Fields says he didn't know of Time's story, even though it prompted a huge libel case that vindicated Time (subject to a Scientology appeal).

But were any of the letter's signatories to actually look into complaints against Scientology, they might risk forgoing business with two of the industry's most bankable stars. That would require a courage that in Hollywood is far harder to come by than 56,000 bucks.

The New York Times.



LETTERS TO THE EDITOR

Europe's Economy

Regarding "Wanted in Europe: A Homegrown Bill Gates" (Jan. 22) and "Bundesbank Chief's Blunt View: Europe Is Too Slow to Adapt" (Jan. 21):

Jean-Claude Trichet, governor of the Bank of France and a typical mandarin produced by the elitist French educational system, admires entrepreneurs. That's hilarious. Mr. Trichet is the very symbol of why there aren't any Bill Gateses in France.

Hans Tietmeyer, Mr. Trichet's equivalent at the German central bank, also admires what he perceives as an American specialty: the willingness to take risks. Yet Mr. Tietmeyer, too, has made his career as a civil servant and, like Mr. Trichet, is the very opposite of an entrepreneur.

Both men are symbols of the European malaise: They have a certain admiration for risk-takers who succeed yet an even clearer perception of how to avoid risk.

STEPHEN BACK.
Vence, France.

The problem in Europe is not a lack of intelligent and inventive people. It is the entrepreneurial spirit that is lacking. Why? Because creativity is not encouraged and true venture capital is not available.

The lack of the latter is the prime reason for the prevailing stagnation that prevents not only new enterprises from being created but also ties the hands of many existing small and medium-sized concerns. Many of these businesses are being paid later and later by their customers and thus have problems coming up with the cash to pay their suppliers on time. In the extreme case, this can drive a business into bankruptcy. At the very least, it causes stress and wasted time with lawyers and in preparing explanatory correspondence.

If true venture capital were available, the necessary cushion could be provided to encourage new business start-ups and keep existing firms going, thus creating and saving jobs.

In America there is no such miserly reluctance to loosen the purse strings, and the percentage of profitable venture capital investments is high. European bankers and investors would be well advised to follow this example.

W. PESTALOZZI.
Zurich.

I am astounded to read that the governor of the Bank of France seems to feel that Washington is fudging somehow in not counting "tramps and vagabonds, and black people in jail" as unemployed.

For many years now, the International Labor Organization has defined as unemployed all people who are able to work and are actively seeking work but unable to find it. Both France and the United States accept this definition. Thus, those in either country who have "fallen out" of the work force and are no longer seeking work are not counted as unemployed — whether they be called tramps, vagabonds or *sans domicile fixe* (as the homeless are known in France).

Can it be that Mr. Trichet either doesn't know, or care, who is covered by the term "unemployment"? Yet unemployment is the most important economic and social problem facing France and Europe. It is frightening to think he will be among those setting monetary policy for all of Europe when the euro goes into effect.

JOHN E. RAY.
Paris.

Mr. Trichet mentioned Steve Jobs and Bill Gates as model American entrepreneurs. Too bad he did not mention another entrepreneur in the same industry: Philippe Kahn, a Frenchman who emigrated to the United States and founded Borland International, a major microcomputer software company. Had Mr. Kahn chosen to stay in France, he probably would still be teaching high school mathematics for a living. Or he would be unemployed.

JEAN-CLAUDE BERTHILLIER.
Fourqueux, France.

Why Are We So Scared Of Same-Sex Wedlock?

By William Raspberry

WASHINGTON — Hawaii's citizens may be about to do what its Supreme Court refused to do: outlaw same-sex marriage. The state House has approved a proposed constitutional amendment to ban marriages between members of the same sex. Approval by its Senate would put the proposed amendment before the voters in November 1998.

MEANWHILE

The result could be — in effect, if not in legal fact — the outlawing of same-sex marriage in America. Here's why: The U.S. Constitution, in Article IV, requires that "full faith and credit shall be given in each State to the public acts, records, and judicial proceedings of every other State." That means that marriages legally performed in one state must be recognized by all the states.

Given the opposition to gay and lesbian marriage disclosed in one opinion poll after another, no state is soon likely to approve same-sex marriage directly. Hawaii did so indirectly when its Supreme Court ruled that denying licenses to same-sex couples violated the state constitution's equal-protection clause.

Legislative attempts to reverse the ruling failed, and now opponents are trying to change the state constitution. The safest bet is that they'll succeed, and that will settle the question of same-sex marriage.

There is, however, another question that it won't settle — at least not to my satisfaction. And that is, why are so many of us so adamantly opposed to same-sex marriage?

There are two obvious answers: that the dictionary definition of marriage is the union of a man and a woman for the purpose of founding and maintaining a family, and that same-sex marriage is a violation of the laws of God.

The first doesn't present much of a problem in legislative draftsmanship. We already sanction marriages between people who have no intention of forming a family — senior citizens or infertile couples, for instance. The second, being religion, is more the province of the church than of the legislature. That religious authorities might choose not to recognize the legitimacy of a union between, say, a Zen Presbyterian and a born-again Hindu is no reason why a state shouldn't issue the license.

No, the polls suggest a repugnance that is more visceral than technical or religious — a distaste bordering on fear.

But fear of what? That allowing homosexual marriages will increase homosexuality and perhaps even help spread such diseases as AIDS? But that makes sense only if you believe there's value in keeping homosexuality in the closet and that committed couples are as likely as casual sex partners to be promiscuous.

Fear that stretching the definition of marriage to include gay and lesbian unions will weaken marriage for heterosexuals? But how? Is the strength of my commitment dependent on the nature of yours?

Fear that homosexual couples will (gasp!) adopt children? And do what to them? Turn them gay? Leave them sexually confused? Make them laughing-stocks?

I confess that the idea of going against widely held beliefs makes me uneasy. Sometimes what we see as mere prejudices turn out to be the hard-earned collective wisdom of society.

But sometimes (as used to be the case for transracial marriage) they are mere prejudices — no matter what social or scientific or religious evidence we offer in their defense.

I could, if I put my mind to it, come up with a fair load of evidence against same-sex marriage.

What keeps me from doing so is experience. I've known enough committed gay and lesbian couples to lose my fear that they are somehow dangerous. Many of these couples have seemed as loving and as devoted to one another as my wife and I.

And if they want to mark that commitment, by invoking the religious and civil forms used for the purpose, why isn't that a good thing? What are we afraid of?

The Washington Post.

BOOKS

IN THE DEEP MIDWINTER

By Robert Clark. 278 pages, $23. Picador.

Reviewed by Jonathan Yardley

THIS is a first novel, but you'd hardly know it. No rites-of-passage angst haunts it, no self-focused autobiographical impulse drives it, no assembly-line prose or structure diminishes it. "In the Deep Midwinter" is a fully mature piece of work, written with care and command, at once intellectually stimulating and emotionally gratifying. At a time when "serious" American fiction is wan and self-referential, Robert Clark reminds us that the novel can still be pertinent, can still exist in the real world.

It is set in St. Paul in the winter of 1949-50. This is important. The less famous of Minnesota's Twin Cities was the hometown of F. Scott Fitzgerald, with whose spirit "In the Deep Midwinter" is suffused; it is about people one might find in a Fitzgerald story, and the sensibility with which it treats them is akin to his own. It could as easily be set in our own day as nearly half a century ago, but Clark is writing about subjects — divorce, infidelity, abortion, the loss of religious faith — that have lost much of their power to shock or dismay us; by considering them in an era when they still held that power, he gives them new life and revives their immediacy.

The novel opens with the death of 45-year-old James MacEwan in what appears to be a hunting accident. His 50-year-old brother, Richard, retrieves his body and soon thereafter begins to settle his affairs. In the process he comes across two documents that arouse in him an almost unbearable suspicion. The first is an entry in James's diary, the second is a letter to James from Richard's wife, Sarah. Together, however circumstantially, they raise the suggestion that somehow Richard's wife and brother had betrayed him.

Thus we are launched upon a story of psychological inquiry and suspense. It involves not merely the triangle into which Richard is drawn but also a subplot — one that in time moves to the center of the chronicle — involving his divorced daughter, Anna, and a young man with whom she becomes passionately involved. It is a story about decent people to whom indecent things happen, or may have happened, or may in time happen. It is about people who do the right thing, even though voices within cry out to do otherwise, and people who do the wrong thing, even as they regard themselves with horror and shame.

Toward the end, as matters have sifted themselves out and the human capacity to keep on going has been reaffirmed, Richard and Anna find themselves talking about what has happened to them. "I guess I see how much of what you think is evil is just happenstance that people fall into," Richard says, "that chooses them and that they follow. Especially with love. It's very insistent. It doesn't brook refusal. If you go against it, there's hell to pay."

That utterance is a trifle stiff, but this does not diminish its inherent truth. People make mistakes not because they are evil but because they are people. The young man with whom Anna falls in love, who in an hour of crisis is cowardly and cruel, is not bad, merely inadequate to the challenge he confronts. It is a challenge both personal and moral, but he is merely a presentable young lawyer on the way up. He is unlikely to rise above or beyond himself, and it is naive to expect him to do so. Instead Anna — and through her, the author Clark himself — grants him a measure of forgiveness.

Richard is "not a contentious man." He "had found the least contentious corner of the legal profession in which to practice: trusts and estates." Whatever his suspicions about his wife's past behavior, he would be out of character to confront her with them. Instead he permits them to simmer and fester, to disappear into his subconscious and then suddenly to reappear, torturing him with images of the dark unknown. When at last he comes to grips with them he must pass through a moment of hard choice similar to the one she faced.

"It's so awfully hard to do the right thing in this world," Sarah had written to James in the letter that resurfaces to torment Richard, "it's so rarely fun or interesting, at any rate." In different ways each of the people in this novel is put to that test, to pass it or fail it in variously revealing ways.

Jonathan Yardley is on the staff of The Washington Post.

CHESS

By Robert Byrne

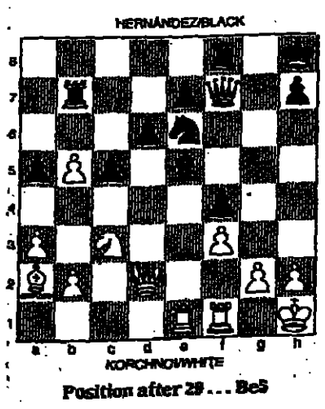
VIKTOR Korchnoi beat Gilberto Hernandez in an exhibition match in Merida recently.

In Game 7, what began as an English Opening became a Sicilian Defense after 6 e4. After 6...d6, the center pawn structure, white pawns at c4 and e4 confronting the black d6 pawn, produced the Maroczy bind, a clamp that made it virtually impossible ever to play, or even threaten, a counterattack with ...d5.

In recent years, Black has preferred to play 7...Nd4 8 Qd4 Bg7, with the idea of reducing material to relieve his cramped position, but the Maroczy bind has been challenged in other ways, including Hernandez's mode of mobilization.

Korchnoi's retreat with 10 Nb3 prevented Hernandez from changing his mind and playing 10...Nd4. Hernandez's 10...a5 threatened to put pressure on the queenside with 11...a4 and 12...a3.

The long-winded journey of the white king knight, starting with 4 Nd4, came full circle with 15 Nd4, mostly in the interest of avoiding the exchange of knight for an enemy knight. After 15...Ndc5 16 Qd2 Ne6, the knight sped off again on its no-exchange policy with 17 Ndb5.



Position after 29 . . . Be5

The plan involved in 18 Rab1 and 19 Bd1 was to play b3, a3 and then b4 with a great increase in queenside space. But Korchnoi took his time with 20 Bc2 because he knew that Hernandez had no way to improve his position.

Hernandez's bid for active counterplay with 20...f5? was understandable, but it weakened his position. After 21 ef gf 22 Rbe1, Korchnoi switched his attention to the e file, where he held a great advantage. His threat was 23 Bc5 Nc5 24 Nc7.

Korchnoi increased the pressure with 23 Nd5, setting a little trap: 23...Bb2? 24 Bc5! dc 25 Bf5 Qf5 26 Qb2 is disastrous for Black.

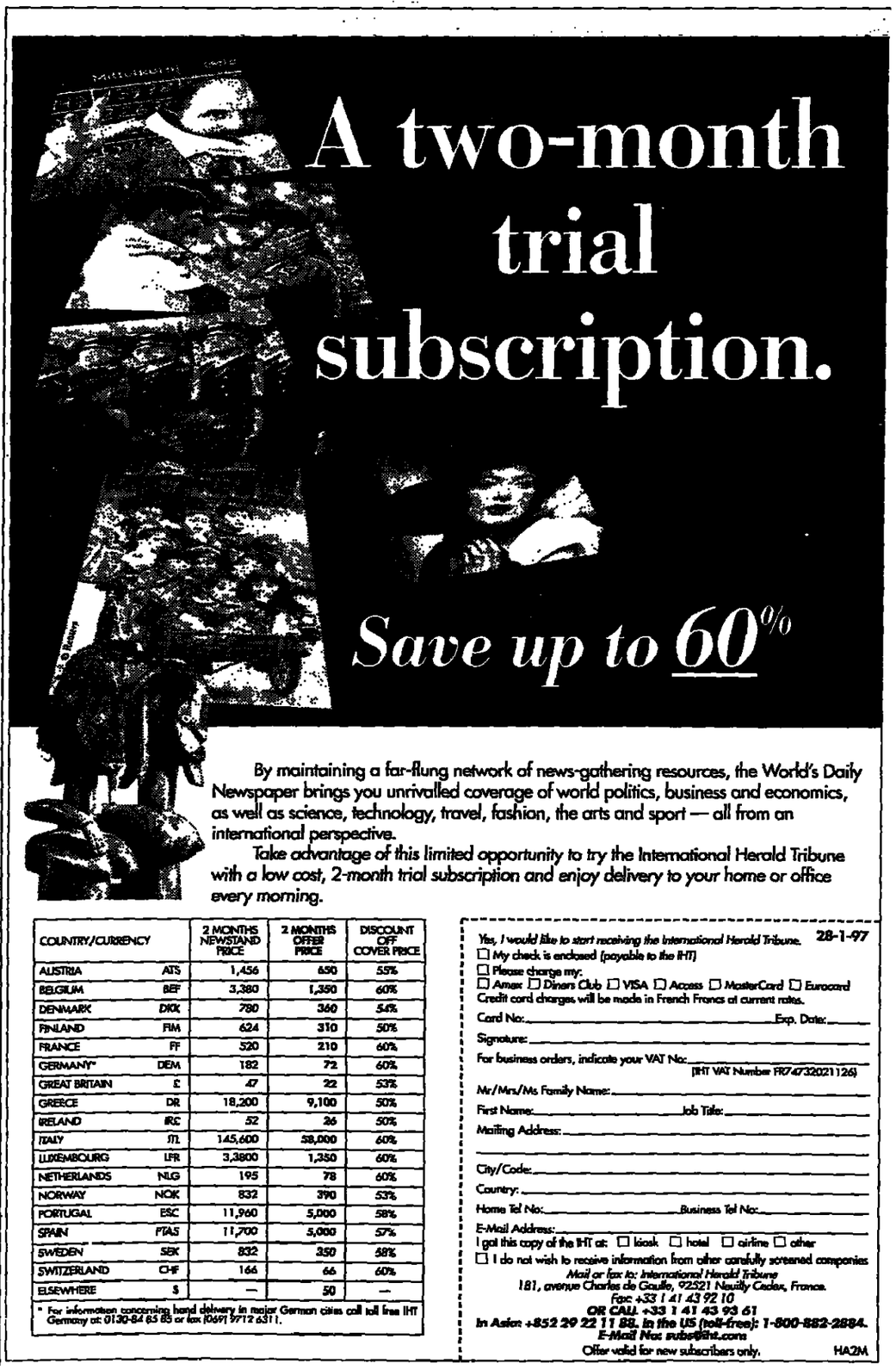
Hernandez's 24...Bb5? only made his stifling position worse. He was probably already lost, but he should have tried to protect his weak e7 point directly by 24...b6 and 25...Rb7. In that case, Korchnoi would double rooks on the e line and black resistance could not last long.

Korchnoi's powerful 28 Ba2! was surely what Hernandez had overlooked in playing 24...Bb5?

Hernandez's defense with 29...Be5 was blown to smithereens by Korchnoi's 30 Qd5! Nd8 31 Re5! de 32 Qd8! Since 32...Rd8 33 Bf7 yields White two minor pieces for a rook, and Korchnoi had, in addition, a tremendous passed d5 pawn, Hernandez gave up.

SICILIAN DEFENSE

White Korchnoi	Black Hern'dez	White Korchnoi	Black Hern'dez
1 d4	Nf6	17 Ndb5	Nac5
2 c4	c5	18 Rab1	Kh8
3 Nf3	cd	19 Bd1	Qe8
4 Nd4	Nc6	20 Bc2	f5
5 Nc3	g6	21 ef	gf
6 e4	d6	22 Rbe1	Qf7
7 Be2	Bg7	23 Nd5	Rab8
8 Be3	0-0	24 Bb1	Bb5
9 0-0	Bd7	25 cb	b6
10 Nb3	a5	26 a3	f4
11 Nd2	Nb4	27 Bc5	bc
12 f3	Na6	28 Ba2	Rb7
13 Kh1	Bc6	29 Nc3	Be5
14 Nb3	Nd7	30 Qd5	Nd8
15 Nd4	Ndc5	31 Re5	de
16 Qd2	Ne6	32 Qd8	Resigns



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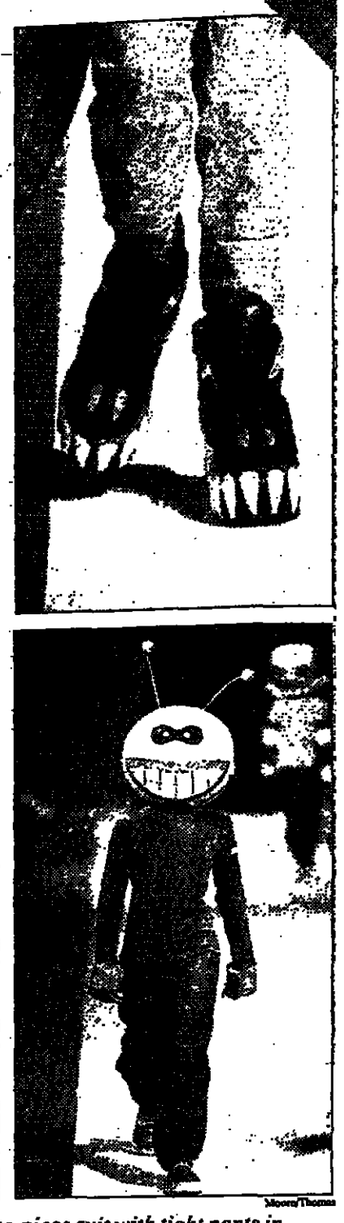
Style

TOMORROW: STAGE

Clockwise from top left: Bikkenbergs' zippered knit; MTV's Bouedidela at Kenzo; McQueen modeling at Comme; Van Noten's ethnic sweater.



Moore/Thomas

Beyond the regular suit at the Paris shows: Luxury car coat with military epaulettes from Hermes; Gaultier's three-piece suit with tight pants in striped-and-plaid velvet; monster platform sneakers from W< and Van Beirendonck's antennae headgear with tight top and baggy combat pants.

Luxury and Fantasy: The Feel-Good Factor in Menswear

By Suzy Menkes
International Herald Tribune

PARIS — There were three defining moments at the French menswear shows, which closed Monday. The first was the luxurious perfection of simple sportswear in succulent fabrics at Hermes — clothes to whet the appetite even of a fashion-phobic male.

Then there was Jean Paul Gaultier's imaginative romp through skinhead territory. He used their narrow silhouette and tribal plaids to distill the trends of the fall/winter season: narrow suits, brief coats, slim pants, cabled knits, pinstripes, plush velvets and flashes of silver.

But the most dramatic message came from Walter Van Beirendonck. His futuristic show of urban protective clothing and Mad Max headgear took as its theme the Avatar — the computer icon by which a World Wide Web user invents a new persona.

"It is so like fashion — because that is about dressing up," said the Belgian designer. "But this is the ultimate — you can be who you want to be."

What modern man most wants to be is discreet. The Paris shows were mainly about ordinary clothes in exceptional fabrics, transformed by stretch, shine, plush or iridescence.

That is why the Hermes show hit such perfect fashion pitch. There were no visible symbols of a luxury label, apart from a belt or a scribble print on a dark shirt. Instead, designer Veronique Nichanian made the season's car coat or the longer trench in strokeable leather and inky suede.

Modern fashions came in upscale versions: cabled knits in spider's threads of cashmere; pale wintry colors as a cloud gray sweater with cream cord pants; the cardigan jacket in double-faced Shetland wool, subtly weaving blue with silver. The Hermes show was a triumph of refinement and simplicity.

Gaultier had a message — but not just the graffiti-on-a-brick-wall print on jeans. With Madness on the soundtrack, out stomped skinheads, tight trousers rolled above heavy boots, short, sharp coats and shaven heads painted with love and peace slogans.

"Skinheads were just for the silhouette," said Gaultier. But it was also his take on fashion's modern mixes, like cutting slithering panne velvet into sharp three-piece suits and using stripes with plaids. Or having the pants of a close-to-the-body pinstriped suit strung from suspenders. London threw up other references: to the top-hatted Victorian gentleman, with a dashing fur-collared coat — another trend to which Gaultier gave a unique spin.

Oh the mad hats at W&LT's show! The surreal sculptures included a computer balanced on the head, a Nintendo monster's face, or Mohican feathers mechanically whirring. Van Beirendonck brought out British milliner Stephen Jones to take a well-deserved bow.

The incredible creations reinforced the cyberspace story of the show. That was also rapped out in neon-messages like "Dress up your avatar" and "Vision, violence and voyeurism."

But behind the fantastic personas, from Microsoft monsters to sexual deviants, were upbeat, sporty clothes for the club scene. The silhouette was a tight top worn with ultra-baggy military combat pants or overalls. On them Van Beirendonck used computer-screen primary colors, graphic camouflage-patterns, graffiti and photoprints to suggest urban warriors. Tennis shoes with bared teeth on the platform soles were just one example of an exceptional imagination at work.

Strong designers move with the times, while keeping a personal identity. At Comme des Garcons, designer Rei Kawakubo took the current plaids to a far horizon by cutting everything from a shirt to a sweater on the bias. Although they sometimes seemed forced, the diagonal lines imposed an imaginative new geometry on Comme's signature linear tailoring — modeled by Alexander McQueen of Givenchy.

Texture was another story of the season. At Dries Van Noten, the silhouette was large, even muffled, with woolly hats and duffel coats. But the detail was intriguing: pouch pockets breaking up the surface of a coat; cables furrowing knits; gilded flecks scattered in fabrics to match the gold dust on the runway.

Mario Sorbo, in a powerful show, had sweaters with honeycomb effects, fleece finishes or patches of furry knit, and pants that might be shiny brocade or mat and hairy.

Texture even bridges the divide between avant-garde and establishment designers. Touch was key to the traditional styles at Gentleman Givenchy, from the ridged cord suit, through the alpaca coats and chenille cardigans.

METALLIC sparkle is also a common factor. The most imaginative? Stainless steel worked into gray flannel in a collection based on fabric research from the British Nigel Curtiss. Then there were the silvered pinstripes at Gaultier and the molten silver jackets of Leonard's Chinese imperial theme, among his inimitable flower prints.

Thierry Mugler's cut-with-a-scalpel suits had his signature silver buttons. Claude Montana put silver strips on shirt collars, spurs on shoes and silver buttons everywhere. Those blatant exterior signals are the antithesis of discreet modern fashion. And so is Montana's beautiful but fancy use of head-to-toe color, like yellow from butter through ocher to tan shoes.

At Dirk Bikkenbergs, the metallic silver tie-knot symbolized a hard-edged military style of trim shirts and sweaters tucked into flat pants.

Uniforms are another unifying theme, with Hermes showing epaulettes, Ungaro cargo pants and Kenzo two-pocket shirts. The Belgian Raf Simons focused on school uniforms, showing precisely tailored coats and shirts with color flashing inside the back pleat on models taken from high schools.

Dandy designers give the new, slim suits a certain elegance. Eric Bergere updated the three-piece suit by buttoning jackets high from the breastbone, adding a collar to the vest, a cravat to the neckline and a patterned lining.

"It is a classic silhouette with touches of fantasy in fabric and color — and above all de luxe," said Bergere.

For Ozwald Boateng, the sharp, urban suit is the story, but with a touch of flamboyance in the fitted shape and the peacock bright linings.

Country clothes? There were camel and herringbone coats, but an absence of tweed on the runways — except for pepper-and-salt Donegals. Instead there were window-pane-checked wools among the flannels and pinstripes.

But Ungaro played with tweed, mixing colors and textures of jackets, pants and knitwear. And Jose Levy made his runway out of sawn logs and stuck on animal masks to enliven tweedy separates and shearling jackets.

Actor Jean-Pierre Leaud appeared at Ungaro. Sports and television personalities modeled for Kenzo. He closed the European menswear shows with a burst of joie de vivre, as soccer legend Jose Toure and MTV presenter Patrice Bouedidela showed off the clothes.

Why real guys? Because modern designer menswear should be inventive — but also for the regular world.

On March 14, the International Herald Tribune will publish a Special Report on:

The Computer Industry

Among the topics to be covered are:

- Who will control the lines of communications? Telecoms or computer companies?
- The Internet – questions of free speech.
- "Information Stress Syndrome" in the computerized workplace.
- Do palmtop computers have a future?
- Where are savvy investors putting their money?

Herald Tribune

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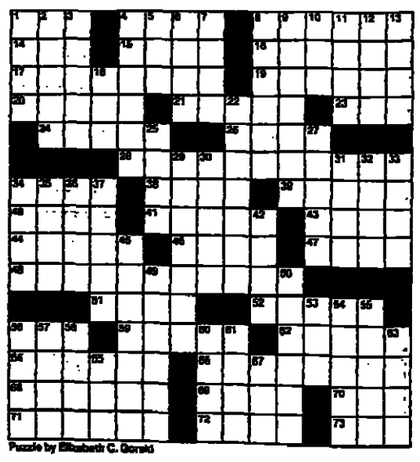
CROSSWORD

ACROSS

1 Anesthetize, in a way
4 Some chain clothing stores
8 Video game hub
14 Play the part
15 Zone
16 Stops the tape temporarily
17 "Little" extraterrestrials
19 Passé
20 Had a bug
21 Inspirationalist Norman Vincent ——
23 Before, in verse
24 Home on the Black Sea
26 Smart-aleck
28 Pop duo with the album "Swamp Ophelia"
34 Reply to a masher
38 Satellite ——
39 Bunk
40 Actress Anderson
41 Newton or Stern
43 Actress Thurman and others
44 Small choir
46 Outfielder's cry
47 Oct. precursor
48 Drinks with gin, Cointreau and lemon juice
51 Greeting at sea
52 Undignified landing
56 Hardly Mr. Right
59 Facilitates
62 Unpaid factory worker
64 "All ——!"
65 Some Gainsborough forgeries
68 Ice cream parlor order
69 Two-wheeler
70 Sometime theater funder: Abbr.
71 Be at
72 French holy women: Abbr.
73 Blow it

DOWN

1 Crazy (over)
2 Pungent
3 Inscribed column
4 Leader called Mahatma
5 Tattoo place
6 Coop sound
7 Psychologically all there
8 Noted Harlem hot spot, with "The"
9 Durham's twin city
10 Bossy's chew
11 Connors opponent
12 —— John
13 Isabella d'—— (Titian subject)
18 Continental trading org.
22 Khyber Pass traveler
25 1941 Glenn Miller chart topper "You ——"
27 Reverent
29 Lets down
30 "Let me repeat . . ."
31 Where the Vatican is
32 Giant hop
33 Method: Abbr.
34 Leisurely
35 Ness, for one
36 One doing a con job?
37 Michelangelo masterpiece
42 So-so grades
45 Iran's capital
49 Stinking rich
50 Shopping binges
53 Defensive tennis shot
54 Have —— to pick
55 One who's not playing seriously
56 Home for la familia
57 Go up against
58 Word of warning
60 Drops off
61 Cut
63 Pre-1917 ruler
65 Fruit juice
67 Hawaiian music maker



Puzzle by Elizabeth C. Gorski

©New York Times/Edited by Will Shortz.

Harry's
Est. 1911, Paris
"Sank Roo Doe Noo"
A Space for Thought.

Solution to Puzzle of Jan. 27

C	A	C	T	I		T	R	A	D	E		A	S	S
A	L	I	E	N		R	U	L	E	R		T	A	P
B	L	O	C	K	B	U	S	T	E	R		O	B	I
			N	A	S	H				A	D	M	A	N
B	A	B	O	O	N	S		M	A	T	I	S	S	E
A	D	A	P	T	S		S	A	D	I	S	M		
S	E	C	T	S		A	T	T	I	C		A	R	C
E	L	K	S		S	I	R	E	N		I	S	E	E
D	A	B		M	A	L	A	Y		S	C	H	E	D
		R	O	O	N	E	Y		C	H	E	E	S	E
C	L	E	A	V	E	D		C	H	A	R	R	E	D
L	E	A	S	E			P	O	E	M				
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O	N	E		U	M	I	A	K		N	O	O	S	E
S	Y	R		P	I	N	K	Y		S	O	P	P	Y

مكتبة أمن الأمل

Herald INTERNATIONAL Tribune

BUSINESS/FINANCE

A New, Faster Internet Takes Shape in America

For Now, Sleek System Is for Scientists Only

By Deborah Shapley
New York Times Service

From his office in Urbana, Illinois, Michael Norman, an astronomy professor, logs onto the Internet every day for byte-sized messaging with colleagues and sending and receiving text — the way millions of people worldwide do. But the Internet is inadequate to handle Mr. Norman's main work of modeling the universe.

At least, the old familiar Internet is inadequate. But 17 months ago, Mr. Norman, who works at the University of Illinois at Urbana-Champaign, and his colleagues set out to simulate what would happen if our galaxy collided with its nearest neighbor, the Andromeda galaxy. To this end, they enlisted three supercomputers in three states, linked to one another by fiber-optic telephone lines.

The physics calculations were *straightforward enough* to run on today's Internet. But to create the visualization so that scientists could see millions of stars moving through and past each other — instead of poring over yards of printed data — all three computers had to interact with one another at the same time. For that, a new kind of Internet was needed.

Now, a new Internet is available, although access to it is still strictly limited and its users tend to be astrophysicists, engineers and *other specialists.*

It is a sleek, capacious, second-generation Internet, and about 100 U.S. computer scientists are using it instead of the crowded old network invented just a couple of decades ago.

The new network, called the Very High Performance Backbone Network Service, is sponsored by the National Science Foundation and built by MCI Communications Corp. using some of its existing fiber-optic networks.

Looping *around* America *in a* 14,000-mile (22,400-kilometer) figure eight, it links the nation's five academic supercomputer centers, including the three that set Mr. Norman's galaxies on a collision course.

"We want to give the researchers who brought about the Internet a chance to live again in the future," said George Strawn, the director of the National Science Foundation's networking division. More than anyone, Mr. Strawn controls who uses this unexplored new resource and how fast campuses and the communities around them log on.

That process, Mr. Strawn and others say, will take years. Though the federal government started the network that became today's Internet, the agencies involved, including the National Science Foundation, pulled out as the public logged on and a commercial industry took shape around the technology.

In April 1995, the foundation signed an agreement with MCI to develop the new Internet. As part of an overall "next-generation Internet" initiative announced by President Bill Clinton in October, government defense and energy laboratories will connect to the high-performance network with the help of AT&T Corp. and Sprint Corp.

National Science Foundation officials estimate that the agency spends $250 million a year on advanced computing, including seed money for the new network. The government's investment in the project consists mainly of a $50

See INTERNET, Page 15

Lloyd DeGrane/The New York Times

Inside "the Cave" at the Argonne National Laboratory in Illinois.

Europe Central Banker Strikes Solomonic Pose

Monetary Institute Chief Steers Course Between French and German Visions

By John Schmid
International Herald Tribune

FRANKFURT — The head of the European Monetary Institute stepped into a French-German dispute over political influence on a future European central bank Monday by sketching his version of the relationship between the bank and finance ministers of member states.

"It is in their interest to be able to talk to someone and exert peer pressure," Alexandre Lamfalussy, president of the institute, said of the finance ministers of countries that join a single currency. "I believe you cannot play with central bank independence, but I do believe there is a need for an organized dialogue."

By the same token, a European central bank also must have an open dialogue with member countries to be able to warn on excessive deficits, said Mr. Lamfalussy, whose institution is the forerunner to a European central bank.

A rift has widened in the past month between Germany and France over what some German officials percieve as a hidden agenda by the French to create a "stability council" that is intended to apply political pressure to the new central bank, which the Germans insist must be thoroughly independent.

Some Germans also fear the French would use their influence to push for a weak common currency, to be called the euro, as a convenient way to tackle unemployment and sluggish growth.

French officials insist they have no hidden agenda and only want to create a body to coordinate economic policies for the new currency.

Mr. Lamfalussy said he was expressing a personal opinion and not that of the institute. He also denied he was endorsing the French position. "I do not want to refer to the current debate," he said.

The EMI chief spoke a day before the German government releases its annual report on the state of the economy, in which it is expected to back away from its optimistic 1997 forecasts on unemployment and public deficits and concede that it will only barely meet the benchmark to institute a single currency.

The newest projections are expected to reignite criticism of the government's fiscal management and could motivate Finance Minister Theo Waigel to impose a government spending freeze as a way to stabilize the nation's finances, observers said.

The annual report will forecast a deficit of 2.9 percent of gross domestic product instead of 2.5 percent forecast when the budget for 1997 was drafted, sources in Bonn said.

Although the new target would be below the 3 percent ratio allowed by the Maastricht treaty on European union, it comes at a time when the government's credibility on its finances has been strained after the German deficit surged to 3.9 percent of GDP last year from an already high 3.5 percent in 1995.

It does not help the government's case that most leading outside experts consider its deficit targets unattainable. The six leading German economic research institutes, the Council of Economic Advisers, and the Organization for Economic Cooperation and Development all agree that Germany will overshoot the single most important Maastricht criterion.

There is "high uncertainty" over the government's figures, said Axel Nitschke, an analyst in Bonn at the Association of German Chambers of Commerce.

■ Panel Urges Cut in Pensions

Germany must cut pensions, raise contributions and set up a tax-financed "family fund" to keep its state pension plan going into the 21st century, a coalition policy group said Monday, Reuters reported from Bonn.

A commission chaired by Labor Minister Norbert Bluem recommended cutting pensions to 64 percent of average net wages by 2030. Contributions would rise to 22.9 percent of wages over the same period.

Pensions are now around 70 percent of net wages, a level too high to cope with the current rate of aging among Germany's 80 million people. The report said the number of Germans over the age of 65 would rise to 20 million by 2030 from 12.5 million in 1996.

South Korea Orders Inquiry Into Hanbo Default

Compiled by Our Staff From Dispatches

SEOUL — President Kim Young Sam ordered an investigation Monday into the troubled Hanbo Group amid opposition accusations of government misconduct in an unfolding loan scandal.

Hanbo Steel & General Construction Co., which defaulted on debts last week, borrowed 5 trillion won ($5.9 billion), about 20 times its net worth, mainly to fund a huge expansion project.

The opposition called the loans South Korea's biggest financial scandal and seized on the issue to attack Mr. Kim, who is already on the defensive during a presidential election year.

"President Kim ordered a thorough probe into the Hanbo case to determine how the project had been financed so as not to leave a speck of suspicion," a presidential spokesman said.

Mr. Kim's move follows creditors' announcement Sunday that they had formed a committee to help solve Hanbo's and subcontractors' problems.

The Hanbo crisis also triggered alarm in South Korean financial markets amid concern about its impact on bank profits and the prospect that it could force up interest rates and lead to a credit crunch.

To prevent that, the central bank pumped 2 trillion won into the banking system to prevent a credit squeeze after injecting 1 trillion won on Friday.

Last week Moody's Investor Service Inc. had placed under review for possible downgrade ratings of Korea Exchange Bank, Korea First Bank, and Cho Hung Bank, which have the biggest exposure to Hanbo.

Meanwhile, South Korean stocks fell, led by Hanbo Steel & General Construction, which dropped 15 percent. The benchmark Korea Composite Index fell 20.41 points, or 3 percent, to 664.70.

Hanbo Steel, the country's second-largest steelmaker and the flagship unit of the Hanbo Group, was suspended Thursday and Friday, and dropped 820 won to 4,570 on Monday.

Construction and steel shares led declines on concern of more business failures in those industries. Banks and other financial stocks fell because much of Hanbo's debt to banks was unsecured.

(Reuters, Bloomberg)

Thinking Ahead /Commentary

Britain Can't Stop EU 'Flexibility'

By Reginald Dale
International Herald Tribune

WASHINGTON — The plan sounds deceptively simple — the logical answer to one of the thorniest problems dogging the drive to European unity since World War II. It goes by the seemingly harmless name of "flexibility."

But it is fiercely controversial. Its adoption could radically change the nature of the European Union in the 21st century — even, opponents say, destroy it.

The idea is this: Given that EU nations cannot agree how fast or how far to proceed with economic and political integration, some should go faster and farther than others.

The plan is favored by France and Germany, the two main motors of European unification. A version of it will almost certainly appear in the treaty reforming the EU's institutions due to be signed in Amsterdam in June.

Without such a provision, the clear risk is that unification will grind to a halt once the EU expands to include 25 or more increasingly diverse members from both sides of the former Iron Curtain in the next several years.

But the plan has set off alarm bells in Britain — not surprisingly, because one of its aims is precisely to circumvent the British veto on closer unity — as well as in other countries in integration's slow lane.

They fear that the creation of an EU "inner circle" will place intolerable strains on the bonds that bind all its members together.

Their alarm is heightened by the rapidly approaching start of a single currency, the euro, in a hard core of countries clustered around Germany and France — a prime example of flexibility in action.

Those who may be left out are rightly afraid that the euro countries may move on to what the French call "intensified cooperation" in fields from which the others would be excluded, ranging from taxation to justice and foreign affairs. This may, however, simply be a familiar pattern starting to repeat itself.

After six countries, led by France and Germany, formed the original European Community in the 1950s, Britain rallied a second tier into a looser free-trade area. Most of the laggards, including Britain, subsequently caught up with the original six as the Union progressively expanded to 15 members.

The big difference, of course, is that Britain is now inside the EU and has a say in its development. In fact, Britain insists on having the right to veto plans by its fellow members to go ahead more rapidly without it. The claim is backed by the Labour Party, which may form the next British government after elections due to be held by May.

Britain failed to understand that it joined a dynamic process by entering the EU.

That claim, however, is not only completely unreasonable but also a tactical error. A British veto would only force the others to proceed outside the EU institutions, where Britain would have even less influence. It would be much better to keep any such move inside the EU, subject to certain essential safeguards. Those are that flexibility should only apply to future policies, not to the whole corpus of integration achieved so far, and that nonparticipants should always be able to join the inner circle as soon as they are ready to do so.

Britain's basic mistake is that it has failed to appreciate the fact that it joined a dynamic process by entering the EU. In the end, the others will not allow Britain to halt that process.

Partly because of Britain's perpetual obstructionism, it is now clear that flexibility is the best and perhaps the only way to maintain the Union's momentum as it grapples with a host of new members on one hand and a single currency on the other.

As in the past, Britain can catch up later if it wants. But the real problem for the British is that flexibility will probably take European integration farther than they will ever want to follow.

CURRENCY & INTEREST RATES

Cross Rates

Jan. 27

	$	£	D.M.	F.F.	Lira	D.fl.	B.F.	S.F.	Yen	C$	Peseta
Amsterdam	1.841	2.9865	1.1234	0.3332	0.1154*	—	5.448*	1.3007	1.5419*	1.368	1.335*
Brussels	30.755	54.76	20.42	6.115	2.1169*	18.355	—	23.877	6.283	25.075	24.5875*
Frankfurt	1.638	2.6565	—	0.2966	0.1027*	0.8903	4.85*	1.1568	1.3728*	1.2187	1.1086*
London (a)	1.6235	—	2.6586	8.963	2,588.499	2.9885	54.8013	2.2966	193.7648	2.184	223.7752
Madrid	137.772	223.598	84.367	24.914	8.64*	74.917	4.0815	97.455	115.484*	102.341	—
Milan	1,594.85	2,592.55	974.29	288.67	—	867.90	47.346	1,126.88	13.384	1,165.25	11.563
New York (b)	—	1.6222a	1.6472	5.5573	1,608.00	1.846	33.94	1.4303	119.575	1.3409	138.77
Paris	5.52	8.955	3.373	—	0.3462*	3.0017	0.1635	39.07	4.627*	4.1005	4.0075*
Tokyo	119.15	193.80	72.86	21.42	0.749	64.88	3.5346	84.40	—	88.42	0.8658
Toronto	1.344	2.1822	0.8144	0.2426	0.0841*	0.7272	0.2856*	0.9409	1.124*	—	0.97*
Zurich	1.4047	2.297	0.8638	0.2542	0.0886*	0.7689	4.1883*	—	1.1854*	1.0524	1.0268*
1 ECU	1.1909	0.7341	1.9496	6.5729	1,899.81	2.1981	40.1999	1.6836	142.078	1.6029	164.059
1 SDR	1.3917	0.8639	2.2927	7.7364	2,231.92	2.5341	47.2577	1.982	166.775	1.8971	192.796

Closings in Amsterdam, London, Milan, New York, Paris and Zurich, fixings in other centers; Toronto rates at 3p.m.
*a: To buy one pound; b: To buy one dollar; *Units of 100; N.Q.: not quoted; N.A.: not available.*

Other Dollar Values

Currency	Per $	Currency	Per $	Currency	Per $	Currency	Per $
Argent. peso	0.9988	Greek drac.	256.60	Mex. peso	7.81	S. Afr. rand	4.5825
Australian $	1.2955	Hong Kong $	7.7408	N. Zealand $	1.4478	S. Kor. won	855.70
Austrian sch.	11.523	Hung. forint	168.85	Norw. krone	6.4925	Swed. krona	7.2459
Brazil real	1.0436	Indian rupee	35.85	Phil. peso	26.32	Taiwan $	27.44
Chinese yuan	8.3251	Indo. rupiah	2374.75	Polish zloty	2.99	Thai baht	25.80
Czech koruna	27.77	Irish £	0.629	Port. escudo	163.66	Turkish lira	114565.
Danish krone	6.3474	Israeli shek.	3.2966	Russ ruble	5623.00	UAE dirham	3.6705
Egypt. pound	3.392	Kuw. dinar	0.3012	Saudi riyal	3.75	Venez. boliv.	475.00
Fin. markka	4.8526	Malay. ring.	2.4891	Sing. $	1.4075		

Forward Rates

Currency	30-day	60-day	90-day	Currency	30-day	60-day	90-day
Pound Sterling	1.6210	1.6201	1.6192	Japanese yen	118.96	118.49	117.96
Canadian dollar	1.3437	1.3413	1.3385	Swiss franc	1.4109	1.4069	1.4020
Deutsche mark	1.6353	1.6323	1.6287				

Sources: ING Bank (Amsterdam); Indosuez Bank (Brussels); Banca Commerciale Italiana (Milan); Banque de France (Paris); Bank of Tokyo-Mitsubishi (Tokyo); Royal Bank of Canada (Toronto); IMF (SDR). Other data from the Associated Press, Bloomberg and Reuters.

Libid-Libor Rates

Jan. 27

	Dollar	D-Mark	Swiss Franc	Sterling	French Franc	Yen	ECU
1-month	5 3/8 - 5 1/2	2 15/16 - 3 1/16	1 1/2 - 1 5/8	6 1/16 - 6 3/16	3 1/4 - 3 3/8	7/16 - 1/2	4 - 4 1/8
3-month	5 7/16 - 5 9/16	3 - 3 1/8	1 1/2 - 1 5/8	6 3/16 - 6 5/16	3 1/4 - 3 3/8	7/16 - 1/2	4 - 4 1/8
6-month	5 9/16 - 5 11/16	2 15/16 - 3 1/16	1 9/16 - 1 11/16	6 3/8 - 6 1/2	3 1/4 - 3 3/8	7/16 - 9/16	4 - 4 1/8
1-year	5 13/16 - 5 15/16	2 15/16 - 3 1/16	1 5/8 - 1 3/4	6 11/16 - 6 13/16	3 1/4 - 3 3/8	1/2 - 5/8	4 - 4 1/8

Sources: Reuters, Lloyds Bank.
Rates applicable to interbank deposits of $1 million minimum (or equivalent).

Key Money Rates

United States	Close	Prev
Discount rate	5.00	5.00
Prime rate	8 1/4	8 1/4
Federal funds	5 5/16	5 1/4
90-day CDs dealers	5.43	5.42
180-day CP dealers	5.33	5.32
3 month Treasury bill	5.06	5.03
1-year Treasury bill	5.33	5.31
2-year Treasury bill	6.09	6.05
5-year Treasury note	6.43	6.36
7-year Treasury note	6.53	6.47
10-year Treasury note	6.67	6.62
30-year Treasury bond	6.94	6.88
Merrill Lynch 30-day RA	4.92	4.93
Japan		
Discount rate	0.50	0.50
Call money	0.41	0.43
1-month interbank	0.53	0.53
3-month interbank	0.56	0.56
6-month interbank	0.56	0.56
10-year Govt bond	2.44	2.49
Germany		
Lombard rate	4.50	4.50
Call money	3.15	3.15
1-month interbank	3.17	3.17
3-month interbank	3.15	3.15
6-month interbank	3.15	3.15
10-year Bond	5.79	5.78

Britain	Close	Prev
Bank base rate	6.00	6.00
Call money	6.00	6 1/16
1-month interbank	6 1/8	6 1/8
3-month interbank	6 1/4	6 1/4
6-month interbank	6 3/8	6 3/8
10-year Gilt	7.49	7.45
France		
Intervention rate	3.15	3.15
Call money	3 1/4	3 1/4
1-month interbank	3 1/4	3 1/4
3-month interbank	3 1/4	3 1/4
6-month interbank	3 1/4	3 1/4
10-year OAT	5.62	5.58

Sources: Reuters, Bloomberg, Merrill Lynch, Bank of Tokyo-Mitsubishi, Commerzbank, Credit Lyonnais.

Gold

	A.M.	P.M.	Ch'ge
Zurich	353.25	353.00	Unch.
London	353.10	353.60	+1.30
New York	353.50	357.30	+3.70

U.S. dollars per ounce. London official fixings; Zurich and New York opening and closing prices; New York Comex (Feb.)
Source: Reuters.

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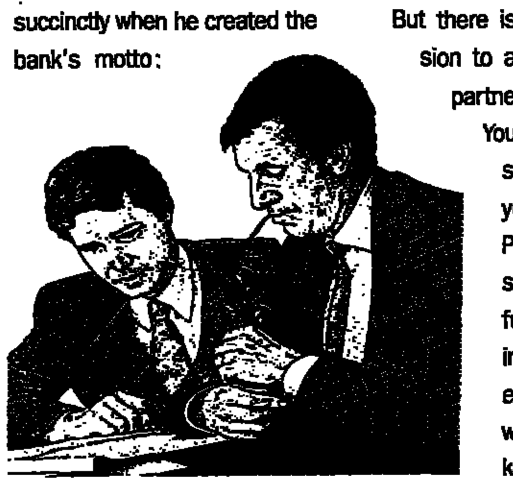

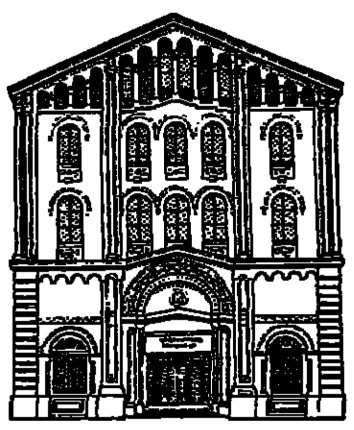

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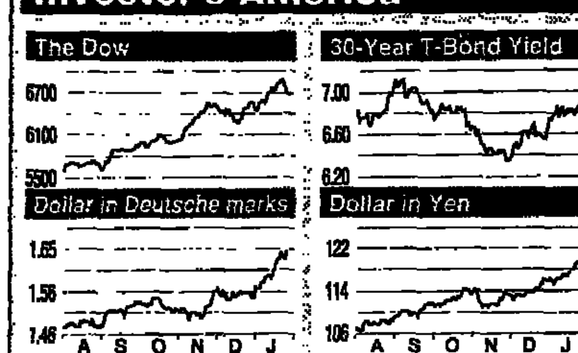
THE AMERICAS

Investor's America



Exchange	Index	Monday Close	Prev. Close	% Change
NYSE	The Dow	6660.69	6696.48	-0.53
NYSE	S&P 500	765.02	770.52	-0.71
NYSE	S&P 100	749.18	754.68	-0.73
NYSE	Composite	402.78	405.51	-0.67
U.S.	Nasdaq Composite	1352.81	[illegible]	-0.81
AMEX	Market Value	586.16	588.16	-0.34
Toronto	TSE Index	6040.76	6033.56	+0.12
São Paulo	Bovespa	77598.80	77616.90	-0.04
Mexico City	Bolsa	3695.47	3680.56	+0.43
Buenos Aires	Merval	656.51	661.85	-0.82
Santiago	IPSA General	5128.33	5185.57	-1.10
Caracas	Capital General	[illegible]	6248.66	[illegible]

Source: Bloomberg, Reuters — International Herald Tribune

Hilton Offers to Buy ITT

Compiled by Our Staff From Dispatches

NEW YORK — Hilton Hotels Corp. said Monday it had made an unsolicited offer to buy ITT Corp. in a deal valued at a total of $10.5 billion in cash and assumed debt that would make Hilton the biggest casino operator in Las Vegas and double its hotel business.

ITT had no immediate comment on the offer.

"The combination of ITT and Hilton would bring together two of the world's leading lodging companies as well as two premier gaming businesses," Hilton's chief executive, Stephen Bollenbach, said.

Hilton is moving in on a company whose stock has flagged since it was spun off from the original ITT in December 1995. Hilton offered $55 for each ITT share. ITT closed at $42.625, down $1.125, but in after-hours trading, the shares jumped $14.75, to $58.50. Hilton's shares closed at $25.25, down 25 cents.

In addition to the cash offer, Hilton said it planned to assume $4.5 billion of ITT debt.

Hilton said its offer was based on publicly available data and that with ITT's cooperation "an ensuing review of private information could result in an even higher offer."

ITT lost to Hilton in the bidding for Bally Entertainment Corp. last year. Hilton paid $3 billion for the casino company in December. With ITT, Hilton would be the dominant casino operator in Las Vegas and in Atlantic City, New Jersey.

Hilton said it expected to save $100 million a year after the acquisition.

"The Bally deal added to earnings, and the Street liked it a lot. That's what I'm looking to see on this deal," said Peter Marron, fund manager at Pinnacle Associates.

After the transaction was announced, Standard & Poor's Corp. said it might downgrade the debt of Hilton and ITT because of the potentially negative effect on bondholders. ITT's lodging operations consist of 415 hotels with more than 130,000 rooms worldwide. It also owns 14 casinos in Las Vegas, Atlantic City and elsewhere.

Hilton has 240 hotels with about 100,000 rooms, as well as 16 casinos. The combination would make Hilton the world's largest lodging and gaming company, Hilton said.

ITT, which manages and owns Sheraton hotels, the CIGA hotel chain and Caesar's World casinos, also owns a 50 percent interest in Madison Square Garden, as well as the New York Rangers ice hockey team and the New York Knicks basketball team.

Hilton said it was reviewing the entertainment assets for a strategic fit and that it was involved in talks to license the Sheraton trademark from HFS Inc. of Parsippany, New Jersey.

Hilton also said it intended to take its offer, a cash and stock bid, directly to ITT shareholders. *(Bloomberg, AP)*

Rising Bond Yields Undermine Stocks

Compiled by Our Staff From Dispatches

NEW YORK — Stocks fell Monday, extending last week's pullback from record highs, as interest rates rose toward their highest level in four months in the jittery Treasury bond market.

"There's a lot of apprehension about where interest rates are headed over the next three to six months," said Ned Riley, chief investment officer at Bank Boston. "If rates rise even further, there will be more competition to the stock market for additional dollars."

The yield on the benchmark 30-year bond rose to 6.94 percent from 6.88 percent Friday, as the price fell 20/32 point, to 94 15/32.

The higher yields helped send the Dow Jones industrial average down 35.79 points, to 6,660.69. The Standard & Poor's 500-share index fell 5.50, to 765.02, and losing issues outnumbered gaining ones by 2-to-1 on the New York Stock Exchange.

"If the bond market continues to go lower, there's no way the stock market can rise in the face of that," said William Mattison, president of Gerard Klauer Mattison, an institutional brokerage.

Bond prices declined as traders speculated that reports on wages and economic output this week may show faster growth and accelerating inflation.

Investors are focusing on the employment cost index for the fourth quarter, to be released Tuesday. Comments last week by Alan Greenspan, the chairman of the Federal Reserve Board, suggested policymakers were watching for signs a robust job market was pushing wages too high too fast.

Concern over that impending data outweighed a report Monday that showed sales of previously owned homes fell a bigger-than-expected 3.5 percent in December.

International Business Machines and General Motors were a drag on

U.S. STOCKS

the stock market, with IBM continuing to suffer from disappointment about the computer maker's fourth-quarter results. IBM fell 5½ to 145.

GM was hit by profit-taking from Friday, when the stock rose strongly on speculation the automaker would announce a dividend increase and a share buyback. GM's board approved those measures Monday, and the shares slipped ⅝ to 61⅞.

Micron Technology was the most actively traded Big Board issue, rising 1⅛ to 33⅝ amid signs of a rebound in prices for computer memory chips, which have fallen 80 percent since last year.

Tower Automotive rose 3¼ to a record 37¼ after agreeing to buy A.O. Smith's Automotive Products unit for $625 million, giving it a manufacturer and supplier of chassis frames and other components for cars and trucks. A.O. Smith rose 2⅛ to 33⅝.

Communications equipment companies continued a decline triggered Friday when Cascade Communications warned investors that growth in coming quarters would slow. Cascade fell 2¾ to 38¼. *(Bloomberg, AP)*

Very briefly:

- **Honeywell Inc.** agreed to buy **Measurex Corp.**, a maker of control systems for paper-processing machinery, for $600 million in cash. The deal values Measurex stock, which soared $10.50 to $34.75, at $35 a share.
- **CVS Corp.** is in talks to acquire **Revco D.S. Inc.**, said a person familiar with the situation, a move that would create the largest U.S. drugstore chain in terms of number of stores.
- **Ashland Coal Inc.** and **Arch Mineral Corp.** said they have agreed to combine into a new publicly traded company.
- **Merrill Lynch & Co.** said fourth-quarter profit rose 47 percent, to a record $445 million, on strong performances in trading and investment banking.
- **National Semiconductor Corp.** agreed to sell a majority of its **Fairchild Semiconductor** division to a group including the unit's management and **Sterling LLC**, a venture capital firm, for $550 million.
- **New York** sued the tobacco industry, joining 19 other states trying to recoup billions of dollars spent treating smoking-related illnesses. *Bloomberg*

American Express to Fire 3,300

The Associated Press

NEW YORK — American Express Co. plans to lay off 3,300 workers this year, or about 5 percent of its employees, in an effort to improve the profitability of its travel services unit.

The announcement Monday came as the company reported that profits for the fourth quarter rose 55 percent from a year earlier.

About two-thirds of the jobs to be eliminated are overseas and in the company's travel-related operations, which include its credit and charge cards, said Michael O'Neill, a company spokesman. Some American Express offices will be closed in the restructuring, including some overseas travel offices.

Despite a charge of $138 million for severance and restructuring, the company said it had net income of $595 million in the fourth quarter of 1996, up from $384 million, a year earlier.

Wall Street sent American Express shares down on the news. The company's shares fell $1.875, to $59.25.

Weekend Box Office

The Associated Press

LOS ANGELES — "Jerry Maguire," "In Love and War" and "Beverly Hills Ninja" tied to dominate the U.S. box office over the weekend, with a gross of $5.9 million each. Following are the Top 10 moneymakers, based on Friday's ticket sales and estimated sales for Saturday and Sunday.

1. (tie) Jerry Maguire	(Tri-Star)	$5.9 million
In Love and War	(New Line Cinema)	$5.9 million
Beverly Hills Ninja	(Tri-Star)	$5.9 million
4. Metro	(Touchstone)	$5.6 million
5. Evita	(Hollywood Pictures)	$5.5 million
6. Scream	(Dimension Films)	$4.4 million
7. The Relic	(Paramount)	$4.2 million
8. Fierce Creatures	(Universal)	$4.0 million
9. Michael	(New Line Cinema)	$3.7 million
10. Zeus and Roxanne	(Metro-Goldwyn-Mayer)	$2.9 million

DOLLAR: *After Talking Its Currency Up for So Long, Is the U.S. Getting Too Much of a Good Thing?*

Continued from Page 1

lower them a bit, while General Motors Corp., Ford Motor Co. and Chrysler Corp. have raised their prices for the new model year.

In Washington and on Wall Street, though, plenty of justifications are being voiced every day. The rapid reduction of the federal deficit, U.S. officials say, has made the dollar more attractive than ever. Higher interest rates in the United States make investing in Treasury bonds and other financial instruments look more promising, and if anything, analysts say, U.S. rates are likely to rise, while rates are expected to remain low in Japan and Europe.

"The dollar's performance reflects basic economic fundamentals," Bruce Steinberg, an economist at Merrill Lynch, & Co. has said. "The U.S. economy remains vibrant after six years of expansion, the Japanese economy remains gripped by deflation and financial-sector problems, and European economies are struggling to grow."

Blunting the complaints from Detroit and elsewhere, U.S. officials say the rise of the dollar benefits the economy, as competition from imports helps keep prices down and thus contributes to keeping inflation and interest rates under control.

Then there is the most intangible benefit of all: how the dollar's strength translates into diplomatic strength. Foreign-policy practitioners differ greatly on this subject. But it never hurts to go into negotiations with another country armed with a currency that is viewed as on the rise.

That is how the markets view the dollar. "The speed of the recent U.S. dollar surge may be promoting some official worries in Frankfurt and Tokyo," Salomon Brothers Inc. told clients recently, "but no credible plans to halt the rise appear in store."

As a measure of perceptions about economic stability, the foreign-exchange market is a telling indicator. What it is indicating these days is that investors around the world find the United States the best haven.

Investors are nervous about Europe, which plans to move to a new currency, the euro, in just two years — eliminating the Deutsche mark as an investment instrument.

"There is a perception in Europe that the American economy, and its political and corporate fabric, is the best in decades," Allen Sinai, an economist at Primark Decision Economics, said, "and there is a hope that the strong dollar will eventually help growth pick up around the world."

FOREIGN EXCHANGE

■ U.S. Growth Lifts Dollar

Speculation that the U.S. economy is growing rapidly enough to warrant higher interest rates lifted the dollar against other currencies Monday, news agencies reported from New York.

The dollar rose to 119.575 yen from 118.900 yen Friday, to 1.6473 DM from 1.6269 DM, to 5.5578 French francs from 5.4965 francs and to 1.4303 Swiss francs from 1.4060 francs. The pound fell to $1.6222 from $1.6290.

Traders said the fourth-quarter employment-cost index, to be released Tuesday, could contain the evidence of rising inflation the Federal Reserve Board needs to justify higher rates.

Also helping the dollar were comments from Johann Wilhelm Gaddum, the Bundesbank's vice president, who said in an interview to be published Tuesday that the dollar's recent rally presented "no price danger that could gravely affect us." His remarks followed another German official's comments that indicated Germany would tolerate a strong dollar. *(AFP, Market News)*

AMEX

Monday's 4 p.m. Close

The top 300 most-active shares, up to the closing on Wall Street. *The Associated Press*

U. S. STOCK MARKET DIARY

Indexes — Dow Jones

	Open	High	Low	Last	Chg.
Indus	6696.02	6708.80	6635.68	6660.69	—35.79
Trans	2329.45	2332.73	2313.62	2313.62	—19.11
Util	236.93	238.33	235.81	235.81	—1.82
Comp	2096.21	2098.21	2080.17	2084.02	—13.38

Standard & Poors

	High	Low	Close	Chg.
Industrials	905.30	897.30	898.16	—6.45
Transp.	560.11	555.36	556.62	—3.49
Utilities	202.36	200.59	200.59	—1.25
Finance	85.91	84.90	85.05	—0.63
SP 500	771.43	764.18	765.02	—5.50
SP 100	755.39	748.16	749.18	—5.50

NYSE

	High	Low	Last	Chg.
Composite	405.59	402.44	402.78	—2.73
Industrials	510.81	506.80	507.30	—3.46
Transp.	364.60	361.89	363.13	—1.34
Utility	263.09	262.01	263.09	—0.00
Finance	366.76	363.64	363.99	—2.41

Nasdaq

	High	Low	Last	Chg.
Composite	1366.40	1353.13	1353.17	—10.70
Industrials	1158.20	1145.84	1145.86	—10.06
Banks	1326.17	1321.73	1321.73	—3.49
Insurance	1454.56	1447.66	1452.59	+1.00
Finance	1659.79	1655.16	1656.71	—0.68
Transp.	894.13	886.06	886.06	—8.07

AMEX

High	Low	Last	Chg.
588.42	585.88	586.16	—2.00

Dow Jones Bond

	Close	Chg.
20 Bonds	102.26	—0.05
10 Utilities	100.43	+0.01
10 Industrials	106.08	—0.13

Trading Activity — NYSE

	Close	Prev.
Advanced	859	936
Declined	1673	1711
Unchanged	789	776
Total issues	3321	3323
New Highs	62	60
New Lows	20	28

AMEX

	Close	Prev.
Advanced	206	202
Declined	322	329
Unchanged	187	186
Total issues	715	717
New Highs	12	12
New Lows	8	3

Nasdaq

	Close	Prev.
Advanced	1728	1614
Declined	2293	2455
Unchanged	1707	1658
Total issues	5728	5727
New Highs	135	146
New Lows	46	55

Market Sales

	Today Close	Prev. cons.
NYSE	445.54	647.80
Amex	18.57	26.16
Nasdaq	493.54	721.43

In millions.

Dividends

Company	Per	Amt	Rec	Pay
INCREASED				
Callaway Golf	Q	.07	2-4	2-25
Dominguez Svcs	Q	.325	2-28	3-14
General Motors	Q	.50	2-6	3-10
General Motors H.	Q	.25	2-6	3-10
Intimate Brands	Q	.13	3-7	3-18
Limited Inc	Q	.12	3-7	3-18
Patriot Bank	Q	.0825	2-6	2-19
TF Fincl	Q	.10	1-31	2-14
Wireless Tel	Q	.05	3-24	4-1
SPECIAL				
CKF Bancorp	-	1.00	1-29	2-11
Golfefight g	-	.01	1-31	2-12
Property Cap Tr	-	2.00	2-12	2-24
INITIAL				
MA/R/C Group n	-	.075	2-7	2-28
Williams Cos n	-	.26	3-7	3-31
REGULAR				
AL Pwr adjpf A 93	..	.323	3-4	4-1
Alfa Corp	Q	.0975	2-14	3-1
Ambanc Corp	Q	.27	2-4	2-14
Blanch.E.W.	Q	.19	2-17	3-3
Castle.A.M.	Q	.15	2-3	2-14
Consol Tomoka	S	.30	2-7	2-24
Ferro Corp	Q	.155	2-15	3-10
Fst Albany	Q	.05	2-11	2-25
Fst Fincl Hold	Q	.18	2-7	2-24
Haggar Corp	Q	.05	2-3	2-17
Highlander Inco	M	.094	2-5	2-26
IBS Fincl	Q	.08	2-28	3-18
KC Southern	Q	.10	2-21	3-18
KSB Bancorp	S	.10	2-21	3-18
LTV Corp	Q	.03	2-14	3-7
Little Falls	-	.025	2-3	2-10
Martins Indust	Q	.038	2-3	2-14
Merrill Lynch	Q	.30	2-7	2-26
Michaels Foods	Q	.05	2-3	2-18
Mid-Am Rity	Q	.22	2-26	2-24
Natl Propane	Q	.525	2-5	2-14
Norwalk SvgsSoc	Q	.05	2-10	2-28
PECO Energy	Q	.45	2-20	3-31
Sensormatic Ele	Q	.055	2-6	2-20
Smith Resid Rity	Q	.505	2-5	2-14
Smucker,JM A&B,	Q	.13	2-17	3-3
Snap-On Inc	Q	.20	2-18	3-10
Stifel Fincl	-	.03	3-4	3-18
Strafton Monthly	M	.16	1-31	2-10
Student Ln Mktg	Q	.44	2-26	3-13
StudentLn adjpf A	-	.625	3-14	3-31
Texaco Inc	Q	.85	2-5	3-10
Universal Mfg	Q	.25	2-5	2-20

a-annual; b-approximate amount per share/ADR; g-payable in Canadian funds; m-monthly; q-quarterly; s-semi-annual

INTERNATIONAL FUTURES

Jan. 27, 1997

Commodity Indexes

	Close	Previous
Moody's	1,471.30	N.A.
Reuters	1,956.70	1,957.00
D.J. Futures	152.56	151.25
CRB	243.83	241.37

Spot Commodities

	Today	Prev.
Aluminum, lb	0.732	0.723
Copper electrolytic, lb	1.16	1.16
Iron FOB, ton	167.00	167.00
Lead, lb	0.50	0.50
Silver, troy oz	5.025	4.90
Steel (scrap), ton	108.17	108.17
Tin, lb	4.0226	4.0087
Zinc, lb	0.5608	0.5648

Sources: Matif, Associated Press, London Int'l Financial Futures Exchange, Int'l Petroleum Exchange.

To Our Readers

Because of technical problems at the Associated Press in New York, some Futures prices are missing in this table.

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House of Fraser Set To Trim Work Force By 10% to Stem Loss

Bloomberg News

LONDON — House of Fraser PLC said Monday that it would shed 10 percent of its work force, close stores and take charges of up to £49 million ($79.8 million) as it reorganizes itself to combat widening losses and stiff competition.

The charges will mean the first full-year loss for the retailer since it listed its shares on the London exchange in 1994. Analysts said making the cuts now should clear the way for better earnings.

"The measures should set them on the road to recovery," said Samantha Gleave, an analyst at Sutherlands Ltd. "It will take time to come through; 1998 will be the key year."

House of Fraser shares closed unchanged at 142 pence, after rising as much as 2 pence to 144.

Three stores from House of Fraser's 51-store Army & Navy, Barkers, Cavendish House, Dickins & Jones, DH Evans, House of Fraser and other retail chains will close and about 1,000 of its 9,145 employees will lose their jobs.

The closures came after Chief Executive John Coleman started a review of the company's business following his appointment in April. Mr. Coleman said in October that he planned to cut stores and jobs in an attempt to reverse declines at the 140-year-old retailer.

House of Fraser's loss in the half year ending in July more than tripled to £13.6 million from a loss of £4.3 million a year earlier.

In the same period, competitors such as Kingfisher PLC, John Lewis Partnership and Storehouse PLC made higher profits. They benefited from higher consumer spending.

Mr. Coleman blamed poor planning, stores full of goods that shoppers did not want and low standards of service. He said problems in the company's buying department were so severe that some 144 buyers left the company in the last two years. There have been about 10 merchandise directors in as many years.

Since Mr. Coleman took over, the company's finance and operations directors have resigned, and House of Fraser has replaced two merchandising executives and its human resources director.

Of the charges to earnings, £25 million will cover the cost of writing down stock, £15 million will pay for job losses and another £9 million will pay for store closures. Mr. Coleman said in October that the measures could cost up to £50 million.

House of Fraser said its sales in the 26 weeks ended Jan. 25 rose 6.1 percent over last year at stores open for more than one year.

The numbers should mean "a reasonable performance this year," said Henry Blyth, analyst at Gilbert Elliot & Co.

Ingersoll-Rand Bids for Newman

Bloomberg News

LONDON — Ingersoll-Rand Co. made a friendly £230 million ($374.6 million) bid for Newman Tonks Group PLC on Monday, a move that would build the U.S. company's hardware business in Europe and rescue Newman Tonks from a hostile bid from FKI PLC.

Newman Tonks, a maker of locks and handles for windows and doors, said its board recommended the 179.4 pence a share bid from Ingersoll-Rand, which sells similar goods in the United States under the *Schlage and Glynn-Johnson brands.* FKI launched a 148.1 pence bid in mid-December.

At Newman Tonks, now fighting the biggest current hostile bid in Britain, executives seized on the prospect of linking with Ingersoll-Rand as a way to give both companies the global scope to expand.

"The bids are at total opposite ends of the spectrum," said Geoff Gahan, the Newman chief executive. "FKI gives us no benefit. With Ingersoll-Rand, we have growth opportunities everywhere we look."

Shares of Newman Tonks rose 28.5 pence, to close at 180.5 pence, reflecting some shareholders' expectations for FKI to top Ingersoll-Rand's bid. The stock had traded near 150 pence since mid-December, when FKI made its unwanted bid.

Grundig's Symbolic History

Its Shifting Fortunes Match Those of Germany

Bloomberg News

FUERTH, Germany — In the years that followed Germany's destruction in World War II, a young electrical engineer named Max Grundig became a symbol of the entrepreneurial spirit that hauled the nation from ruins and helped turn it into the world's third-largest economy.

Half a century later, the consumer-electronics company he built is a case study in the problems that threaten German manufacturers' profits and, in the case of some such as Grundig AG, their existence.

Now that Philips Electronics NV of the Netherlands has withdrawn the financial support it had pumped into the company since 1984, Grundig cannot survive without a new partner. Its chief executive, Pieter van der Wal, made that point last week before saying he would step down in about eight weeks.

The problem, analysts said, is not with Grundig's products, which include stereos, televisions and telephones, but with the cost of making them.

"It's expensive to make products in Germany and Austria," said Paul O'Donovan, an analyst at Dataquest Inc.

German companies such as Siemens AG attacked the problem by shipping an increasing share of operations to countries where wages were lower. While its German work force was shrinking, Siemens's work force outside Germany grew 9 percent in its latest financial year to account for almost half of its worldwide total of about 400,000.

Other German corporations are following suit, building factories in places such as Poland and the Czech Republic, which offer labor costs far below those in Germany. Even a Siemens chip plant in Britain qualifies as a low-wage site by German standards.

The strategy is helping the companies survive, but it also has fed German unemployment, which last month reached almost 11 percent, or 4.15 million people.

Grundig has contributed to the rising jobless rate. From a peak of more than 37,000 in 1978, its work force has shrunk to 8,500, about half of them in Germany and half elsewhere in Europe.

The decline is all the more painful in light of Grundig's history. Mr. Grundig and his company symbolized Germany's *Wirtschaftswunder*, the "economic miracle" that returned the country to prosperity in a decade.

Many of Germany's biggest companies existed long before the war, profited from it and rebuilt afterward. Grundig was founded from scratch by Mr. Grundig, who ran an electrical workshop before the war and managed to salvage enough of it to start making radio transformers in rented rooms in 1945. Two years later, he began selling a simple radio receiver known as the Heinzelmann. The radio was an immediate hit because Germans, still living under Allied military rule, could buy it without a ration card.

In the years to come, Grundig mass-produced a line of radios and soon branched out into tape recorders and television sets. By 1960 the company had 30,000 workers, mostly in Germany.

Grundig exemplified German precision and engineering excellence as it led development of products ranging from clock radios to video cameras.

"They were in the forefront of many new products. They were quite an innovative company and still are," Mr. O'Donovan said.

By the 1980s, though, Grundig had begun to suffer losses as competitors such as Sony Corp. matched many German innovations at a lower price.

Max Grundig gave up management of the company to Philips in 1984 and died in 1989. Until this month, Philips managed Grundig under an agreement that also made it liable for the German company's losses, which reached 598 million Deutsche marks ($366.5 million) in 1995 on sales of 3.5 billion DM.

Grundig has threatened to sue Philips over its giving up management control and to recover a 250 million DM payment.

Opel and VW Slip on Home Turf

Reuters

FRANKFURT — Rival carmakers Adam Opel AG and Volkswagen AG, their industrial-espionage dispute behind them, face the task of rebuilding market share in Germany after competitors from Asia gained buyers last year.

The Federal Motor Office said Sunday that VW and Opel gained sales in 1996 but lost market share as rising sales of imported models hurt the position of domestic carmakers, who control 68 percent of Europe's largest market.

Few analysts say they believe the fight between Opel, the German subsidiary of General Motors Corp., and VW had an impact on consumers' choice of a new car. The dispute stemmed from allegations that a former GM executive stole secret data when he left to join VW in 1993. The charges were settled between the two companies this month.

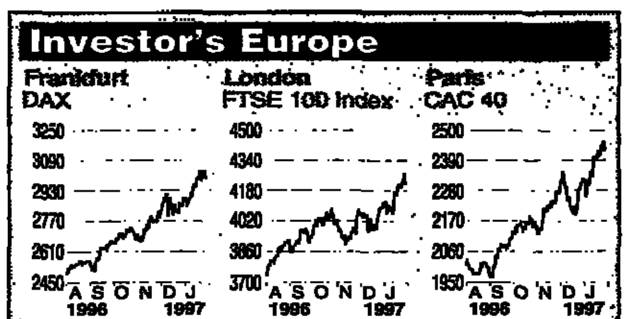
Analysts said both carmakers decided last year to concentrate on foreign sales, particularly in markets elsewhere in Europe, and had problems with new models.

The Federal Motor Office's report showed that VW's sales in Germany, *including those of its import* brands Skoda and SEAT, rose 3.2 percent to 664,376 vehicles in 1996 from 643,739 in 1995 but that its market share *fell* to *19* percent from 19.4 percent in 1995.

Opel reported a 1.4 percent increase in sales, to 560,253 units, but a drop in market share to 16 percent in 1996 from 16.7 percent in 1995.

Meanwhile, the Korean brands Daewoo, Hyundai and Kia tackled the European market with tough incentives, which resulted in a 30 percent gain in sales for the three brands. They sold a total of nearly 65,000 vehicles in 1996 for a combined mar*ket share of 1.85 percent, up from the* 1995 level of 1.56 percent.

Investor's Europe



Exchange	Index	Monday Close	Prev. Close	% Change
Amsterdam	EOE	682.48	676.68	+0.86
Brussels	BEL-20	2,043.99	2,060.61	-0.81
Frankfurt	DAX	2,994.53	2,998.24	-0.12
Copenhagen	Stock Market	503.87	503.17	+0.14
Helsinki	HEX General	2,707.23	2,736.12	-1.06
Oslo	OBX	571.67	574.60	-0.51
London	FTSE 100	4,212.60	4,218.80	-0.15
Madrid	Stock Exchange	458.29	464.16	-1.26
Milan	MIBTEL	12,379.00	12,417.00	-0.31
Paris	CAC 40	2,435.17	2,430.34	+0.20
Stockholm	SX 16	2,678.31	2,690.33	-0.45
Vienna	ATX	1,175.21	1,186.20	-0.93
Zurich	SPI	2,642.51	2,639.55	+0.11

Source: Telekurs International Herald Tribune

Very briefly:

- **Hugo Boss AG**, a maker of men's clothing, said Joachim Vogt, its production chief, would succeed Peter Littmann as chief executive Saturday, instead of at the end of the year as previously announced. The company gave no explanation.
- **Deutsche Lufthansa AG**'s chairman, Juergen Weber, in a letter to the airline's staff of 50,000, urged them to vote against strike action in a ballot to be carried out by the trade union DAG.
- **KirchGruppe AG**'s chairman, Leo Kirch, demanded the resignation of Bernd Kundrun, managing director of the pay-television channel **Premiere**, the newsmagazine Der Spiegel reported. KirchGruppe, which holds a 25 percent stake in Premiere, declined to comment.
- **Canal Plus SA**'s *chairman, Pierre Lescure, said he expected* the company to post a slightly higher profit for 1996 than a year earlier and said results would rise again in 1997.
- **Thyssen AG** said restructuring measures and an expected economic upswing would improve profit for the year ending Sept. 30 despite a weak performance in the company's first quarter.
- **The Czech Republic** cannot sell the state-owned **Budweiser/Budvar** brewery until a settlement is reached in the company's 80-year trademark dispute with **Anheuser-Busch** Cos. of the United States, the Czech National Property Fund's chairman, Roman Ceska, said.
- **Compagnie de Suez SA** *said it would rebound from a* 1995 loss to post a 1996 net profit of about 800 million French francs ($145.6 million) amid improvements in all of its units.
- **Banco Santander Chile SA**, controlled by Spain's **Banco Santander SA**, said 1996 net income rose 24 percent, to 40.41 billion Chilean pesos ($96 million), on strong growth in commission revenue.

Bloomberg, AFX, AP, Reuters

WORLD STOCK MARKETS

Monday, Jan. 27

Prices in local currencies.

Telekurs

Amsterdam
EOE Index: 682.48
Previous: 676.68

	High	Low	Close	Prev.
ABN-AMRO	121	119.10	120.60	119.80
Aegon	119.50	117.40	119.50	118
Ahold	114	112.10	113.10	112.70
Akzo Nobel	264.60	262	266.20	262.60
Baan Co.	78.80	77	78.10	77.90
Bols Wess cva	34.30	33.60	34.20	34.40
CSM cva	101.60	100.40	101.90	101.40
Dordtsche Pet	338.90	335.50	336	338
DSM	181.50	178	180.60	179.30
Elsevier	27.60	27.10	27.50	27.20
Fortis Amev	68.70	66.90	68.50	67.70
Getronics	52.40	51.50	52	52.50
G-Broc cva	59.50	58.50	59.50	59.20
Hagemeyer	147	144.50	146.70	146.10
Heineken	295	292.10	294	293.50
Hoogovens cva	73.30	72.60	72.70	73.30
Hunt Douglas	129	126.30	128	127.50
ING Group	70.60	69.10	70.50	70
KLM	57	54.10	55.90	53.80
KNP BT	41.20	40	41.20	40.50
KPN	68.50	66.40	67.90	66.70
Nedlloyd Gp	57.50	56.10	57.50	57
Nutricia	273	265.50	267.30	267
Oce Grinten	212.80	211.50	211.30	211.90
Philips Elec	75.20	72.90	74.70	73.60
Polygram	83.90	80.20	83.90	80.30
Randstad Hdg	131.40	129	130.20	131
Robeco	150.90	149.70	149.70	152
Rodamco	54.90	54.60	54.80	55
Rolinco	157.80	157.40	157.80	158.20
Rorento	108.10	108	108.10	107.80
Royal Dutch	318.90	316.40	317	318.70
Unilever cva	306.90	301.60	305.10	302
Vendex Intl	82.20	81.20	81.60	81.90
VNU	37.80	37.20	37.50	37.90
Wolters Kl cva	227.30	222.50	227	223.90

Bangkok
SET Index: 848.42
Previous: 848.56

	High	Low	Close	Prev.
Adv Info Svc	268	256	266	258
Bangkok Bk F	268	264	268	270
Krung Thai Bk	52	50.50	51	52
PTT Explor	404	396	398	408
Siam Cement F	904	896	896	900
Siam Com Bk F	200	195	199	197
Telecomasia	54	52	53	53.50
Thai Airways	41	40.50	40.50	41.50
Thai Farm Bk F	179	172	175	180
Utd Comm	185	180	181	186

Bombay
Sensex 30 Index: 3542.74
Previous: 3435.62

	High	Low	Close	Prev.
Bajaj Auto	940	927	937	917.50
Hindust Lever	900	880.25	884.75	882
Hindust Petm	390	370	387.50	371.25
Ind Dev Bk	101	97.50	98	96
ITC	405.25	387.25	402	385.75
Mahanagar Tel	249	243	245.50	240.50
Reliance Ind	275	264.50	272.50	254.50
State Bk India	294.25	272	294.50	270.75
Steel Authority	24.50	23.50	23.75	23.50
Tata Eng Loco	359.50	339.50	357	336

Brussels
BEL-20 Index: 2043.99
Previous: 2060.61

	High	Low	Close	Prev.
Almanij	12350	12025	12175	12600
Barco Ind	5500	5450	5480	5530
BBL	7100	7020	7050	7060
Bekaert	19100	18925	19075	18875
CBR	3240	3195	3220	3150
CNP	2085	2055	2085	2070
Cobepa	1254	1244	1254	1250
Cockerill	118	116	116	117
Colruyt	14650	14300	14400	14525
Delhaize Lion	1975	1920	1920	1990
Electrabel	8000	7880	7880	7980
Electrafina	3140	3110	3135	3125
Fortis AG	5680	5550	5630	5630
Gevaert	2400	2295	2385	2310
GIB	1590	1540	1555	1595
GBL	4580	4500	4520	4530
Gen Banque	12450	11950	11950	12275
Kredietbank	12200	11950	12025	12180
Petrofina	11600	11300	11300	11475
Powerfin	4830	4780	4780	4810
Royale Belge	7840	6980	7020	6980
Soc Gen Belg	2580	2525	2525	2565
Solvay	23800	23000	23100	23250
Tractebel	14800	14675	14700	14750
UCB	97000	95750	95800	96500
Union Miniere	2365	2260	2250	2285

Copenhagen
Stock Index: 503.87
Previous: 503.17

	High	Low	Close	Prev.
BG Bank	293	286	292	289
Carlsberg B	390	384	387	387
Codan Fors	840	830	830	840
Danisco	366	361	365	365
Den Danske Bk	500	495	380	498
D/S Svendborg B	254000	253000	254000	251000
D/S 1912 B	175250	174000	175000	172500
FLS Ind B	848	830	840	839.85
Kob Lufthavne	678	669	670	675
Nvo Nordisk B	559	551	555	555
Sophus Berd B	815.22	794	805	800
Tele Danmk B	349	343	348	345
Tryg Baltica	329	321	323	326
Unidanmark A	341	335	340	340

Frankfurt
DAX: 2994.53
Previous: 2998.24

	High	Low	Close	Prev.
AMB B	945	940	945	980
Adidas	157.80	155.50	157.80	157
Allianz Hdg	2819	2780	2817	2814
Altana	1305	1271	1272	1280
Bk Berlin	33	32.60	32.95	32.40
BASF	59.75	58.90	59	59.44
Bayer Hypo Bk	54.18	53.50	53.45	53.80
Bay.Vereinsbank	63.60	62.70	62.70	63.10
Bayer	61.75	61.20	61.33	61.40
Beiersdorf	82	81.10	81.10	82.50
BMW	1032	1020	1023	1038
Commerzbank	43.95	43.60	43.80	43.55
Daimler Benz	114.10	113.30	113.70	114.10
Degussa	715	703	711	701
Deutsche Bank	85.65	85.10	85.15	84.35
Deut Telekom	30.68	30.51	30.52	30.27
Dresdner Bank	53.35	53.15	53.30	53.15
Fresenius	322	316	316	322
Fresenius Med	146.80	146.20	146.20	147.40
Fried. Krupp	248.20	246.50	248.20	246
Gehe	111.40	110.50	110.50	110.55
Heidelbg Zmt	131.50	130.20	131.50	133
Henkel pfd	81.80	80.70	81.50	83.70
Hochtief	68.25	67.20	67.35	67.50
Hoechst	69.50	69.10	69.20	69.93
Karstadt	502	494	494	500
Linde	1038	1032	1036	1034
Lufthansa	22.95	22.10	22.15	23
MAN	408.50	406	406.50	410
Mannesmann	644.75	640.50	644.50	638
Metallgesellschaft	33.05	32.02	32.30	32.15
Metro	127.50	126.80	127	128.40
Munch Rueck R	3660	3630	3650	3680
Preussag	380	378	380	379
RWE	66.65	66.40	66.58	67.11
SAP pfd	230	226.50	229.50	229
Schering	134.70	133.30	134.70	133.85
Siemens	78.75	78.22	78.58	77.18
Thyssen	295	288	292.50	290.50
Veba	90.75	90.30	90.53	90.95
VEW	499	493	498	495
Viag	661	657.50	659	658
Volkswagen	770	763	767.50	769.50

Helsinki
HEX General Index: 2707.23
Previous: 2736.12

	High	Low	Close	Prev.
Cultor 1	250	245	250	247
Enso A	38	37.80	37.80	38.50
Huhtamaki I	217	216	216	216
Kemira	55.10	54.80	54.90	55.20
Kesko	65.80	65	65.50	66
Merita A	16.40	16.10	16.20	16.30
Metra B	274	270	271	276
Metso-Serla B	35.90	35.50	35.50	36
Neste	120	117	119	118
Nokia A	314	309.50	310	316.50
Orion-Yhtymae	182	178.50	180	182
Outokumpu A	78	77.50	77.50	78
Rautaruukki	44	43.70	43.70	44.20
Sampo Insur	421	409	420	414
UPM-Kymmene	99	97.50	97.80	98.70
Valmet	84.90	84.50	84.90	84.70

Hong Kong
Hang Seng: 13294.98
Previous: 13379.55

	High	Low	Close	Prev.
Amoy Props	10.05	9.85	9.85	10.20
Bk East Asia	35.50	34.90	35.20	35.50
Cathay Pacific	11.80	11.45	11.70	11.70
Cheung Kong	74.50	72.75	74	73.75
CK Infrastruct	22.15	21.80	21.85	22.10
China Light	34.30	33.10	33.70	33.70
China Overs Ld	3.90	3.83	3.98	3.85
China Res Ent	16.40	15.70	16.30	15.80
Chin Estates	8.40	8	8.40	8.15
Citic Pacific	39.50	38	39.50	38.50
Cosco Pacific	8.80	8.65	8.80	8.75
Dao Heng Bk	38.40	37.50	37.50	38.50
First Pacific	10.65	10.50	10.60	10.60
Great Eagle	33.40	32.70	33	33.60
Guangdong Inv	7.05	6.75	6.85	6.80
Guoco Group	45.10	44.10	44.20	45.20
Hang Lung Dev	15.90	15.80	15.80	15.95
Hang Seng Bk	91.50	90.75	91.25	91.25
Henderson Inv	9.25	8.95	9	9.20
Henderson Ld	73	70.50	73	71.75
HKR Intl	12.25	12	12.10	12.20
HK China Gas	14.60	14.40	14.50	14.50
HK Electric	26.80	26.70	26.80	26.80
HK Shang Hils	14.30	14.15	14.20	14.25
HK Telecomm	12.80	12.50	12.65	12.75
Hopewell Hdgs	4.75	4.55	4.68	4.65
HSBC Hdgs	176	173.50	175.50	177
Hutchison Wh	61	59.50	59.75	61
Hysan Dev	28.85	28.55	28.65	28.85
Johnson El Hdg	23.40	23.25	23.30	23.30
Kerry Props	20.10	19.95	20	19.90
Natl Mutual	7.60	7.50	7.55	7.50
New World Dev	49	48.20	48.40	49.20
N World Infrastr	22.80	22.50	22.65	22.90
Oriental Press	2.93	2.78	2.85	2.78
Pearl Oriental	5.65	5.45	5.65	5.45
Shanghai Inds	28	27.10	27.85	27.10
Shangri-La Asia	11.50	10.90	11.50	11.30
SHK Props	90	88.75	89.50	90.25
Shun Tak Hdgs	5.35	5.20	5.25	5.35
Sino Land Co.	9.10	8.75	8.95	9.10
Sth China Post	6.35	6.30	6.30	6.45
Swire Pac A	73.75	71.75	71.75	73.50
Tsim Sha Tsui	19.60	19.35	19.60	19.55
TV Broadcasts	32.80	32.50	32.50	33
Wharf Hdgs	36.50	35.70	35.80	36.50
Wheelock	22.10	21.50	22.10	21.95

Jakarta
Composite Index: 694.98
Previous: 678.91

	High	Low	Close	Prev.
Astra Intl	6425	6300	6350	6300
Bk Intl Indon	1975	1750	1850	1750
Bk Negara	1625	1575	1600	1625
Gudang Garm	11850	11500	11775	11400
Indocement	3600	3575	3600	3600
Indofood	5200	4950	4950	5100
Indosat	7000	6900	6950	7000
Sampoerna HM	14400	14000	14200	14250
Semen Gresik	7450	7275	7450	7300
Telekomunikasi	4150	4075	4125	4100

Johannesburg
All Market: 6689.04
Previous: 6684.62

	High	Low	Close	Prev.
AmalgamtdBks	26	25.50	25.60	25.50
AngloAm Coal	318	318	318	315
AngloAm-Corp	249.50	248	248	249
AngloAm Gold	338	326.50	327	327
AngloAm Ind	169.75	169.50	169.50	169.50
Barlow	46.65	46.25	46.50	46.75
C.G. Smith	23.50	22	23.30	23.25
De Beers	140	138.75	139	138.75
Driefontein	42.75	42.50	42.60	42.65
Fst Natl Bk	25.50	24.80	24.80	25.50
Gencor	18.90	18.60	18.70	18.70
GFSA	109	107	107	109
Iscor	3.72	3.68	3.70	3.71
Liberty Hdgs	320	319	320	320
Liberty Life	119.25	117.25	118.75	117.50
Minorco	106.50	106	106	106.50
Nampak	18.10	18	18	17.60
Nedcor	67.75	67	67.25	68
Rembrandt Gp	42.50	41.75	42.50	41.80
Richemont	64	63	63	63
Rust Platinum	60.50	59.25	59.25	59
SA Breweries	124	122.50	122.75	123.50
Samancor	50	49.50	49.50	49.50
Sasol	56	55.25	55.25	55.75
SBIC	184	183	183.75	183
Tiger Oats	66	64.75	65.75	64.50

Kuala Lumpur
Composite: 1239.35
Previous: 1244.13

	High	Low	Close	Prev.
Genting	17.70	17.20	17.30	17.80
Mal Banking	29.25	28	29	27.75
Mal Intl Ship F	6.60	6.55	6.55	6.50
Petronas Gas	9.50	9.40	9.50	9.50
Renong	4.52	4.48	4.48	4.48
Resorts World	13.10	12.70	13.10	13.20
Sime Darby	9.45	9.25	9.35	9.50
Telekom Mal	21.20	20.60	20.60	21.20
Tenaga	13.10	12.80	12.90	13.10
Utd Engineers	22.40	21.70	21.70	22.40

London
FT-SE 100: 4212.60
Previous: 4218.80

	High	Low	Close	Prev.
Abbey Natl	7.57	7.48	7.53	7.66
Allied Domecq	4.41	4.15	4.19	4.19
Anglian Water	6.22	6.18	6.19	6.20
Argos	6.44	6.35	6.41	6.39
Asda Group	1.21	1.19	1.20	1.22
Assoc Br Foods	4.81	4.76	4.79	4.86
BAA	5.17	5.11	5.11	5.12
Barclays	11.52	11.33	11.45	11.42
Bass	8.70	8.63	8.68	8.66
BAT Ind	4.97	4.83	4.84	5
Bank Scotland	3.25	3.20	3.23	3.24
Blue Circle	4.07	3.92	3.93	4.03
BOC Group	9.37	9.20	9.27	9.33
Boots	6.48	6.43	6.44	6.47
BPB Ind	3.80	3.74	3.75	3.81
Brit Aerosp	12.93	12.85	12.91	12.90
Brit Airways	6	5.94	5.98	5.97
Brit Gas	2.27	2.23	2.26	2.24
Brit Land	5.24	5.17	5.20	5.25
Brit Petm	7.20	7.15	7.19	7.20
BSkyB	5.67	5.55	5.64	5.65
Brit Steel	1.52	1.49	1.50	1.51
Brit Telecom	4.27	4.20	4.23	4.23
BTR	2.66	2.58	2.62	2.91
Burmah Castrol	10.30	10.23	10.27	10.26
Burton Gp	1.51	1	1.49	1.52
Cable Wireless	4.83	4.73	4.80	4.78
Cadbury Schw	4.83	4.79	4.82	4.88
Carlton Comm	5	4.92	4.98	4.90
Comml Union	7.07	6.98	7.03	7.04
Compass Gp	6.77	6.75	6.75	6.72
Courtaulds	3.88	3.78	3.86	3.78
Dixons	4.98	4.91	4.97	4.99
Electrocomponents	4.63	4.56	4.58	4.62
EMI Group	12.69	12.50	12.61	12.55
Enterprise Oil	6.35	6.22	6.31	6.27
Fam Colonial	1.51	1.49	1.49	1.50
Genl Accident	8.07	7.95	7.97	8.08
GEC	4.03	3.93	3.96	4.02
GKN	10.07	9.79	9.98	9.95
Glaxo Wellcome	9.62	9.54	9.57	9.59
Granada Gp	8.82	8.65	8.80	8.68
Grand Met	4.61	4.53	4.55	4.65
GRE	2.78	2.74	2.77	2.76
Greenalls Gp	5.73	5.68	5.72	5.71
Guinness	4.94	4.38	4.46	4.42
GUS	6.20	6.10	6.12	6.21
Hanson	0.95	0.92	0.95	0.97
Hays	5.59	5.56	5.59	5.58
HSBC Hldgs	14.47	13.93	14.05	14.10
ICI	7.60	7.43	7.58	7.42
Impl Tobacco	3.98	3.84	3.84	3.89
Kingfisher	6.75	6.64	6.68	6.66
Ladbroke	2.30	2.26	2.29	2.27
Land Sec	7.84	7.58	7.68	7.86
Lasmo	2.40	2.35	2.38	2.38
Legal Genl Grp	3.80	3.75	3.75	3.78
Lloyds TSB Gp	4.72	4.58	4.68	4.63
LucasVarity	2.16	2.04	2.06	2.12
Marks Spencer	4.84	4.76	4.77	4.80
MEPC	4.62	4.54	4.55	4.66
Mercury Asset	13.10	12.97	13	13.09
National Grid	2.14	2.09	2.11	2.12
Natl Power	5.16	5.02	5.04	5.14
NatWest	7.78	7.71	7.75	7.81
Next	5.68	5.54	5.59	5.54
Orange	2.15	2.10	2.13	2.10
P&O	6.27	6.20	6.26	6.24
Pearson	7.58	7.50	7.51	7.53
Pilkington	1.49	1.42	1.46	1.43
PowerGen	6.57	6.49	6.49	6.53
Premier Farnell	6.92	6.85	6.90	6.89
Prudential	5.45	5.33	5.40	5.40
Railtrack PP	3.87	3.79	3.81	3.84
Rank Group	4.19	4.13	4.16	4.15
Reckitt Colm	7.07	6.98	7.07	7.01
Redland	3.40	3.35	3.38	3.36
Reed Intl	10.32	10.23	10.29	10.30
Rentokil Initial	4.53	4.43	4.52	4.42
Reuters Hdgs	6.77	6.70	6.74	6.83
Rexam	3.38	3.33	3.36	3.34
RMC Group	9.38	9.28	9.37	9.35
Rolls Royce	2.48	2.43	2.44	2.43
Royal Bk Scot	5.91	5.80	5.87	5.92
RTZ reg	9.32	9.25	9.27	9.26
Royal & Sun All	4.83	4.69	4.71	4.83
Safeway	3.86	3.75	3.76	3.91
Sainsbury	3.37	3.28	3.31	3.42
Schroders	16.55	16.40	16.48	16.53
Scot Newcastle	6.85	6.80	6.82	6.85
Scot Power	3.70	3.55	3.67	3.77
Securicor	2.96	2.93	2.96	2.92
Severn Trent	7.02	6.93	6.93	6.96
Shell Transp R	10.54	10.45	10.48	10.50
Siebe	10.22	10.12	10.17	10.09
Smith Nephew	1.82	1.81	1.82	1.82
SmithKline	8.82	8.70	8.75	8.64
Smiths Ind	7.72	7.65	7.68	7.68
Sthem Elec	7.97	7.78	7.82	7.86
Stagecoach	8.02	7.97	7.97	8.02
Stand Charter	7.40	7.24	7.34	7.31
Tate & Lyle	4.43	4.30	4.42	4.38
Tesco	3.58	3.50	3.55	3.61
Thames Water	6.52	6.45	6.50	6.48
3i Group	5.22	5.15	5.19	5.18
TI Group	5.42	5.27	5.33	5.38
Tomkins	2.82	2.73	2.74	2.81
Unilever	13.78	13.60	13.76	13.64
Utd Assurance	5.09	5.02	5.02	5.09
Utd News	7.30	7.14	7.18	7.16
Utd Utilities	6.65	6.50	6.60	6.59
Vendome Lx uts	4.97	4.90	4.90	4.97
Vodafone	2.82	2.73	2.74	2.81
Whitbread	7.70	7.65	7.65	7.73
Williams Hdgs	3.36	3.30	3.32	3.32
Wolseley	4.77	4.73	4.75	4.74
WPP Group	2.49	2.46	2.47	2.48
Zeneca	17.08	16.83	16.94	16.85

Madrid
Bolsa Index: 458.29
Previous: 464.16

	High	Low	Close	Prev.
Acerinox	17490	16600	17090	16790
ACESA	1835	1780	1805	1838
Aguas Barcelon	5850	5610	5680	5800
Argentaria	5730	5660	5720	5770
BBV	7830	7630	7790	7810
Banesto	1155	1125	1135	1140
Bankinter	19130	18820	19000	19130
Bco Central Hisp	3400	3320	3330	3360
Bco Exterior	2720	2710	2710	2720
Bco Popular	26350	25760	25800	26410
Bco Santander	8350	8200	8330	8300
CEPSA	4510	4360	4490	4480
Continente	2615	2570	2585	2600
Corp Mapfre	8250	7980	8040	8320
Endesa	9680	9120	9300	9580
FECSA	1315	1250	1260	1300
Gas Natural	30990	30510	30970	30940
Iberdrola	1635	1590	1595	1630
Pryca	2680	2530	2540	2580
Repsol	5910	5830	5880	5880
Sevillana Elec	1325	1270	1310	1325
Tabacalera	6240	6080	6240	6220
Telefonica	3310	3225	3240	3315
Union Fenosa	1200	1160	1175	1200
Valenc Cement	1435	1410	1435	1440

Manila
PSE Index: 3323.18
Previous: 3332.53

	High	Low	Close	Prev.
Ayala B	29.50	29	29.50	30
Ayala Land	31.50	31	31	31.50
Bk Philip Isl	189	184	185	180
C&P Homes	14.75	14.50	14.50	14.50
Manila Elec A	128	126	126	128
Metro Bank	690	685	685	685
Petron	10.75	10.50	10.75	10.50
PCIBank	342.50	340	342.50	340
Phil Long Dist	1515	1510	1515	1525
San Miguel B	105	103	103	105
SM Prime Hdg	7.60	7.40	7.50	7.40

Mexico
Bolsa Index: 3685.17
Previous: 3680.56

	High	Low	Close	Prev.
Alfa A	41.50	40.90	41.40	41.40
Banacci B	16.50	16.00	16.00	16.54
Cemex CPO	29.70	29.25	29.50	29.50
Cifra C	11.00	10.82	11.08	10.94
Emp Modema	42.00	41.15	42.00	41.15
Gpo Carso A1	49.25	49.00	49.10	49.30
Gpo Fin Inbursa	28.30	27.90	28.30	27.90
Kimb Clark Mex	172.00	169.80	170.30	172.90
Televisa CPO	104.50	104.00	104.50	105.00
TelMex L	14.58	14.52	14.56	14.56

Milan
MIB Telematico: 12379.00
Previous: 12417.00

	High	Low	Close	Prev.
Alleanza Assic	12500	12275	12440	12240
Bca Comm Ital	3395	3295	3330	3255
Bca Fideuram	4495	4355	4495	4435
Bca di Roma	1338	1292	1315	1319
Benetton	21500	20600	21200	21150
Credito Italiano	2325	2200	2305	2250
Edison	10500	10335	10390	10510
ENI	9000	8735	8840	8915
Fiat	5450	5235	5320	5360
Generali Assic	34000	33150	33500	33750
IMI	16900	16250	16420	16210
INA	2280	2190	2230	2265
Italgas	6795	6490	6720	6775
Mediaset	7700	7400	7485	7600
Mediobanca	11140	10740	10785	10790
Montedison	1331	1300	1319	1326
Parmalat	2810	2690	2770	2775
Pirelli	3655	3500	3545	3500
RAS	15950	15600	15720	15650
Rolo Banca	17900	17300	17485	17500
S Paolo Torino	11550	11200	11330	11390
Stet	8100	7570	7710	7890
Telecom Italia	4700	4475	4595	4550
TIM	4840	4670	4750	4750

Montreal
Industrials Index: 2874.39
Previous: 2887.73

	High	Low	Close	Prev.
Bce Mob Com	43	42.90	42.95	42.90
Cdn Tire A	21.40	21.15	21.40	21.10
Cdn Util A	32.35	32¼	32¼	32.20
CT Finl Svc	32	32	32	31½
Gaz Metro	16½	16.15	16.20	16.45
Gt-West Lifeco	20.55	19.95	19.95	20.80
Imasco	35.90	35	35.85	35
Investors Grp	25.90	25¼	25.85	26
Loblaw Cos	16.10	15.55	16.10	15.70
Natl Bk Canada	14.40	14¼	14.30	14.30
Power Corp	28.65	27.85	28.10	28.70
Power Finl	26.15	25½	25.70	26.15
Quebecor B	26.20	25.85	26.20	25.60
Rogers Comm B	9.40	9.30	9.35	9.35
Royal Bk Cda	50.15	49.80	49.85	49.90

Oslo
OBX Index: 571.67
Previous: 574.60

	High	Low	Close	Prev.
Aker A	165	163.50	165	165
Bergesen Dy A	148.50	146.50	148	146
Christiania Bk	22.40	22	22.40	22.30
Den norske Bk	26.50	25.50	25.70	25.90
Elkem	103	101	101	103.50
Hafslund A	49	44.80	48.80	48.50
Kvaerner Asa	388	384	384	388
Norsk Hydro	362.50	358	361	362
Norske Skog A	199	195	198	197
Nycomed A	111	108	109	110.50
Orkla Asa A	519	514.50	515	517.50
Petroleum GeoSvc	281	279	280	290
Saga Petro A	127	124	124	127.50
Schibsted	133	132.50	133	133
Transocean Off	445	441	441	445
Storebrand Asa	36.40	36	36.40	35.80

Paris
CAC-40: 2435.17
Previous: 2430.34

	High	Low	Close	Prev.
Accor	703	685	698	693
AGF	166.50	165.30	165.80	165.70
Air Liquide	863	833	837	856
Alcatel Alsth	463	451.60	453.50	460.80
Axa	360	353.70	355	358
Bancaire	681	665	674	686
BIC	880	870	879	875
BNP	228.30	225.20	227.20	226
Canal Plus	1235	1217	1222	1220
Carrefour	3295	3260	3271	3258
Casino	241.90	237.80	239	239.40
CCF	260.20	249.20	251	257
Cetelem	713	691	694	690
Christian Dior	920	906	906	916
CLF-Dexia Fran	498	488.80	496.60	499
Credit Agricole	1266	1250	1266	1266
Danone	794	781	791	774
Elf-Aquitaine	516	505	513	512
Eridania BS	829	806	812	815
Eurotunnel	7.60	7.40	7.50	7.50
Gen. Eaux	683	667	672	681
Havas	395	390	390.20	392
Imetal	819	807	819	819
Lafarge	331.90	326.10	327.80	332
Legrand	917	885	887	917
L'Oreal	1925	1885	1900	1902
LVMH	1520	1480	1487	1497
Lyon. Eaux	549	521	535	517
Michelin B	316.60	306	311.50	306.60
Paribas A	370	361.30	365.80	369.90
Pernod Ricard	301.80	292	292.10	299
Peugeot Cit	578	544	563	544
Pinault-Print	2400	2371	2392	2362
Promodes	1460	1432	1438	1432
Renault	121.40	115	117.20	115.30
Rexel	1720	1670	1690	1660
Rh-Poulenc A	191	178	184.60	176.30
Roussel-Uclaf	1530	1501	1530	1527
Sanofi	549	536	546	542
Schneider	268.70	262.10	266.90	262
SEB	1129	1080	1120	1104
SGS Thomson	365	356	363.90	365
Ste Generale	633	616	620	620
Sodexho	2682	2619	2672	2614
St Gobain	797	773	792	780
Suez	234.90	228.70	231.90	225
Synthelabo	614	568	605	571
Thomson CSF	168	164.10	166.10	163.30
Total B	467	457.50	461	463
Usinor	76	73.55	74.95	73.25
Valeo	359	351.50	352.10	358

São Paulo
Bovespa Index: 77598.60
Previous: 77597.98

	High	Low	Close	Prev.
Bradesco Pfd	8.22	8.18	8.20	8.15
Brahma Pfd	625.00	610.00	615.00	620.00
Cemig Pfd	44.90	44.30	44.30	44.60
CESP Pfd	51.30	50.50	50.60	51.19
Copel	13.98	13.80	13.80	13.70
Eletrobras	423.00	416.00	417.00	416.00
Itaubanco Pfd	469.00	466.00	469.00	468.00
Light Servicios	373.00	372.00	373.00	372.00
Lightpar	279.00	276.00	278.00	276.00
Petrobras Pfd	191.00	188.00	188.00	188.00
Telebras Pfd	89.90	88.70	88.80	88.70
Telemig	147.00	146.00	146.00	149.00
Telerj	150.00	148.00	149.00	150.51
Telesp Pfd	243.50	239.00	241.00	244.00
Unibanco	35.40	34.30	35.40	34.80
CVRD Pfd	23.20	22.750	22.90	22.80

Seoul
Composite Index: 664.70
Previous: 685.11

	High	Low	Close	Prev.
Dacom	104000	98000	98500	98000
Daewoo Heavy	5250	5010	5100	5200
Kia Motors	16500	15400	16500	16000
Korea El Pwr	28000	27000	27000	28000
Korea Exch Bk	7900	7040	7040	7930
Korea Mob Tel	512000	492000	500000	491000
LG Semicon	19700	19200	19300	19300
Pohang Iron St	41600	39900	39900	41000
Samsung Elec	45700	43000	43000	44000
Shinhan Bank	11200	10800	10800	11000

Singapore
Straits Times: 2225.35
Previous: 2242.71

	High	Low	Close	Prev.
Asia Pac Brew	8.30	8.30	8.30	8.30
Cerebos Pac	10.60	10.50	10.60	10.70
City Devlts	14	13.70	13.40	13.80
Cycle Carriage	15.80	15.40	15.80	15.80
Dairy Farm Int *	0.80	0.78	0.79	0.80
DBS foreign	19.40	18.80	19	19.50
DBS Land	5.70	5.50	5.70	5.65
Far East Levng	7.05	6.95	6.95	7.20
Fraser & Neave	13.80	13.60	13.60	13.80
HK Land *	2.88	2.79	2.81	2.84
Jard Matheson *	6.15	6	6.05	6.20
Jard Strategic *	3.40	3.40	3.40	3.40
Keppel	11.20	11	11.10	11.10
Keppel Bank	4.20	4.18	4.20	4.18
OCBC foreign	19	18.50	18.80	18.80
OS Union Bk F	11.80	11.30	11.30	11.50
Parkway Hdgs	5.45	5.40	5.45	5.50
Sembawang	8.05	7.90	7.95	8
Sing Air foreign	13.80	13.30	13.50	13.70
Sing Land	8.55	8.35	8.35	8.55
Sing Press F	27.80	27.20	27.30	27.90
Sing Tech Ind	3.72	3.66	3.70	3.74
Sing Telecomm	3.30	3.26	3.28	3.32
Straits Steam	4.92	4.82	4.92	4.96
Tat Lee Bank	3.50	3.42	3.46	3.48
Utd Industrial	1.21	1.19	1.19	1.19
Utd O'Sea Bk F	16.60	16.40	16.60	16.50
Wing Tai Hdgs	4.44	4.40	4.40	4.44

*: in U.S. dollars.

Stockholm
SX 16 Index: 2678.31
Previous: 2690.33

	High	Low	Close	Prev.
AGA B	106	105.50	106	106
ABB A	877	861	867	882
AssiDoman	182	179.50	180.50	182
Astra A	340.50	336.50	338	336.50
Atlas Copco A	169.50	167.50	168.50	169.50
Autoliv	319.50	315	318	319.50
Electrolux B	445	430	438	426
Ericsson B	241	235.50	237	240.50
Hennes B	1050	1031	1040	1033
Incentive A	504	495	495	506
Investor B	326	317	321	326
MoDo B	203.50	201	203	203.50
Nordbanken	235	229.50	232	233.50
Pharm/Upjohn	272	265.50	266.50	270
Sandvik B	185.50	183.50	184.50	184.50
Scania B	188	186	187.50	188.50
SCA B	143	141.50	141.50	142.50
S-E Banken A	76	72	72.50	72.50
Skandia Fors	193.50	188	191.50	192
Skanska B	313	308	312.50	310
SKF B	174	169	170.50	172
Sparbanken A	117	114.50	116.50	117.50
Stadshypotek A	189	188.50	188.50	188.50
Stora A	93.50	91.50	92	93
Sv Handles A	186	183	184	186
Volvo B	180.50	174.50	180	177

Market Closed

The Sydney stock market was closed Monday for a holiday.

Taipei
Stock Market Index: 7156.96
Previous: 7212.28

	High	Low	Close	Prev.
Asia Cement	50.50	50	50	50
Cathay Life Ins	178	174	174	177
Chang Hwa Bk	167	165	165	166
China Steel	26	25.40	25.40	25.40
China Trust	53	52	52	52.50
Evergreen	53.50	51.50	51.50	53.50
Far East Text	36	34.50	34.90	36
First Bank	175	172	172	173
Formosa CF	42.80	41.60	41.70	42.50
Hua Nan Bk	144	141	142	142
Hualon Teijran	25.30	24.20	24.30	25.30
ICBC	84	82.50	82.50	83.50
President Ent	46.40	45	45.50	46.40
Taiwan Cemt	61	59.50	59.50	60.50
Tatung	53	51.50	51.50	52.50

Tokyo
Nikkei 225: 17334.90
Previous: 17689.36

	High	Low	Close	Prev.
Ajinomoto	1020	972	987	1020
All Nippon Air	755	746	746	746
Asahi Bank	779	731	744	782
Asahi Chem	634	626	628	632
Asahi Glass	1050	1030	1030	1040
Bk Tokyo Mitsu	1820	1700	1710	1840
Bk Yokohama	644	625	625	644
Bridgestone	2100	2060	2080	2090
Canon	2530	2500	2510	2500
Chiba Bank	720	690	690	730
Chubu Elec	2260	2230	2260	2250
Chugoku Elec	2200	2190	2190	2200
Daiei	808	793	794	805
Daiichi Kang	1260	1180	1190	1270
Daiwa Bank	501	464	477	509
Daiwa House	1390	1330	1340	1390
Daiwa Sec	950	921	921	952
Denso	2480	2440	2440	2460
Fanuc	3420	3350	3420	3420
Fuji Bank	1270	1160	1180	1300
Fuji Photo	3610	3510	3530	3590
Fujitsu	1200	1180	1190	1190
Hitachi	1030	1020	1020	1030
Honda Motor	3180	3150	3150	3170
IBJ	1600	1500	1520	1610
IHI	461	425	430	471
Itochu	542	530	533	534
Ito-Yokado	5340	5230	5330	5280
JAL	489	482	485	490
Jusco	3260	3230	3250	3190
Kajima	701	678	685	720
Kansai Elec	2250	2220	2230	2260
Kao	1200	1170	1190	1190
Kawa Steel	283	275	278	285
KDD	7170	7060	7170	7170
Kinki Nipp Ry	715	707	714	713
Kirin Brewery	1030	1020	1030	1070
Kobe Steel	210	204	209	212
Komatsu	841	790	809	850
Kubota	519	510	515	514
Kyocera	6740	6460	6510	6870
Kyushu Elec	2200	2150	2180	2220
LTCB	473	442	442	479
Marubeni	452	446	447	446
Marui	1700	1650	1660	1700
Matsu Elec Ind	1760	1720	1750	1730
Matsu Elec Wk	1040	1020	1030	1030
Mitsubishi	1040	1020	1030	1020
Mitsubishi Ch	325	311	312	325
Mitsubishi El	655	640	653	659
Mitsubishi Est	1240	1210	1220	1220
Mitsubishi Hvy	856	845	845	855
Mitsubishi Mat	900	894	897	896
Mitsubishi Tr	1220	1090	1100	1250
Mitsui	879	867	877	875
Mitsui Fudosn	1130	1100	1130	1130
Mitsui Trust	725	681	691	739
Murata Mfg	3770	3690	3690	3720
NEC	1390	1360	1380	1400
Nikko Sec	767	755	755	761
Nintendo	7690	7580	7600	7630
Nipp Credit Bk	230	216	218	232
Nipp Express	699	680	691	700
Nippon Oil	537	523	525	539
Nippon Paper	515	505	505	517
Nippon Steel	288	285	286	293
Nippon Yusen	478	460	463	489
Nissan Motor	702	692	700	704
NKK	229	223	223	229
Nomura Sec	1530	1500	1500	1520
NTT	8520a	8420a	8500a	8500a
Obayashi	670	650	658	676
Odakyu El Ry	626	610	613	625
Ono Pharm	3520	3460	3520	3470
Osaka Gas	303	295	303	301
Ricoh	1340	1310	1320	1340
Sakura Bk	689	644	659	702
Sankyo	3180	3050	3110	3180
Sanwa Bank	1370	1290	1310	1390
Sanyo Elec	472	470	489	480
Secom	6590	6490	6490	6570
Seibu Rwy	4000	3920	3920	4120
Sekisui House	1050	1030	1030	1060
Seven-Eleven	6970	6910	6940	6970
Sharp	1470	1430	1460	1470
Shimizu	729	715	716	722
Shin-etsu Ch	2160	2130	2140	2160
Shizuoka Bk	1030	1010	1010	1040
Sony	7900	7770	7830	7760
Sumitomo	885	850	860	890
Sumitomo Bk	1340	1250	1280	1340
Sumit Chem	404	396	402	398
Sumitomo Elec	1610	1590	1590	1590
Sumit Metal	250	243	244	256
Sumit Trust	907	844	844	918
Taisei	516	505	506	516
Taisho Pharm	2780	2730	2750	2750
Takeda Chem	2360	2310	2340	2370
TDK	7430	7300	7370	7320
Tohoku El Pwr	2130	2090	2120	2130
Tokai Bank	940	891	902	954
Tokio Marine	1020	999	1000	1020
Tokyo El Pwr	2370	2340	2360	2380
Tokyo Gas	302	295	298	300
Tokyu	543	535	539	558
Tonen	1190	1160	1178	1200
Toppan Print	1320	1290	1300	1300
Toray Ind	676	660	665	680
Toshiba	694	682	685	695
Toyo Seikan	2840	2710	2710	2810
Toyo Trust	805	755	765	812
Toyota Motor	3230	3180	3190	3240
Yamaichi Sec	456	447	447	455
Yamanouchi	2200	2160	2190	2220
Yasuda Fire	525	514	518	526
Yasuda Trust	391	357	360	393

a: x 100

Toronto
TSE Industrials: 6040.76
Previous: 6033.58

	High	Low	Close	Prev.
Abitibi Price	21.10	20.70	21.05	21.15
Alberta Energy	33¼	32.80	33	32¾
Alcan Alum	47½	46½	46.85	47.20
Anderson Expl	18.35	18.20	18.30	18.20
Bk Montreal	46.40	45.85	45.95	46.05
Bk Nova Scotia	47.20	46.85	46.85	47
Barrick Gold	37.30	36.35	36.90	36.20
BCE	66.30	65¼	65.65	65¼
BC Telecomm	29.85	29½	29.60	29.65
Biochem Pharm	71.25	68.75	69.10	69
Bombardier B	25¼	25.15	25.20	25.45
Brascan A	30.85	30¼	30¼	30.85
Bre-x Minerals	22.10	21.40	21.40	21.30
Cameco	56.65	55.90	56½	56
CIBC	60.20	59.55	59.60	59.90
Cdn Natl Rail	54½	54.30	54.30	54.40
Cdn Nat Res	37¼	36¾	37.05	37.65
Cdn Occid Pet	24.80	24.20	24.40	24.70
Cdn Pacific	37.20	36	36¼	36¼
Cominco	38¼	37½	38	37½
Dofasco	25¾	25.10	25¾	25.15
Donohue?				
Dorstar	12.40	12.30	12.30	12.40
Donohue A	23.80	22½	23.65	22.90
Du Pont Cda A	32.90	31.20	31.20	32.90
Edper Group	21.20	21	21	21.10
EuroNev Mng	36.35	35.95	36	35.95
Fairfax Finl	296	292	293	296
Falconbridge	30.90	30.40	30.80	30.55
Fletcher Chall A	21.90	21.70	21.80	22.05
Franco Nevada	60	59.90	59.95	59¾
Gulf Cda Res	11.15	10.80	11.10	10.95
Imperial Oil	64.15	63.70	63¾	63.65
Inco	45.80	45.30	45.60	45.45
IPL Energy	40	39.90	40	39.85
Laidlaw B	18.30	17.85	17.90	18
Loewen Group	50	48.40	48.65	49
Macmill Bldl	17.95	17.70	17.85	17.80
Magna Intl A	77.15	76	76	76.45
Methanex	13.20	12.80	12.85	13.20
Moore	28.15	27.70	28.10	27.90
Newbridge Net	44.70	43½	44	44.10
Noranda Inc	32.10	31.55	32	32.05
Norcen Energy	32.85	32¼	32.40	32.85
Nthem Telecom	93.15	90	92.30	93.60
Nova	12.65	12.45	12.60	12.55
Onex	23.05	22.90	22.90	22.95
Pancdn Petlm	57	55½	57	55¾
Petro Cda	21.10	20.95	21.05	20.95
Placer Dome	28.40	27.35	28.30	27½
Poco Petlm	14.60	13.80	14½	13¾
Potash Sask	112.15	109½	112	110
Renaissance	46.40	45.55	46.20	46.20
Rio Algom	32½	32.20	32.35	32
Rogers Cantel B	29	28.60	28.60	29
Seagram Co	53.85	52.85	53.35	52.85
Shell Cda A	54.35	53.65	54	54.35
Stone Consold	20¼	20.05	20.05	20.35
Suncor	63¼	62	62	62½
Talisman Eny	47	45.70	46.20	46.65
Teck B	32¼	31.80	32	31.90
Teleglobe	38½	38	38¼	38.15
Telus	20.10	19.95	19.95	20
Thomson	28.30	27.80	28.20	28
TorDom Bank	36.85	36.70	36¾	36.80
Transalta	16.40	16.10	16.40	16.15
TransCda Pipe	24.20	23.90	24	24
Trimark Finl	43½	41.60	41.65	43½
Trizec Hahn	31.40	30.80	31.30	30.80
TVX Gold	10.85	10.35	10.80	10.35
Westcoast Eny	23	22.65	22.80	22.85
Weston	73	72	73	73½

Vienna
ATX Index: 1175.21
Previous: 1178.96

	High	Low	Close	Prev.
Aust Airlines	1804	1804	1804	1804
Brau-Un Goess	663	638	658	664
Bohl Vers Pfd	403	403	403	403
Creditanst Pfd	425.20	418.20	425	420.90
EA-Generali	3300	3250	3300	3250
EVN	1770	1753	1760	1766
Interunfall	1481	1481	1481	1481
Lenzing	619.95	607	614	614
Leykam	298	291	294	296
Mayr-Melnhof	570	561	569.90	570
OMV	1334	1320	1326	1338.10
Oest Brau	799	780.50	799	800
Oest Elektriz	850	839	844	846
VA Tech	1721.90	1702	1710	1719.60
Wienerberger	2193.90	2163.50	2175	2187

Wellington
NZSE-40 Index: 2393.25
Previous: 2400.27

	High	Low	Close	Prev.
Air N Zeald B	2.72	2.70	2.71	2.71
Brierly Invt	1.34	1.32	1.33	1.34
Carter Holt ord	3.36	3.34	3.34	3.35
Fernz	5.12	5.05	5.05	5.12
Fisher Paykel	5.30	5.30	5.30	5.30
FC Forest	2.25	2.24	2.25	2.25
Goodman Fder	1.77	1.76	1.76	1.76
Indep News	6.94	6.92	6.94	6.92
Lion Nathan	3.63	3.62	3.63	3.60
Nat Gas note	2.43	2.35	2.40	2.35
NZ Refining	29.60	29.30	29.60	29.30
Telecom NZ	7.50	7.46	7.47	7.51
Wilson Horton	11.37	11.37	11.37	11.40

Zurich
SPI Index: 2642.51
Previous: 2639.55

	High	Low	Close	Prev.
Adecco B	408.50	403	407	406
Alusuisse R	1154	1138	1146	1136
Ares-Serono B	1500	1445	1445	1486
Baloise Hdg R	2830	2800	2810	2820
ABB B	1756	1727	1727	1745
BK Vision	755	747	748	750
Bobst B	1908	1870	1870	1880
CS Holdings R	142	140.75	141.50	141.25
Elektrowatt B	539	537	539	537
Fischer B	1488	1470	1480	1487
Hilti PC	920	905	919	910
Holderbank B	1032	1011	1011	1022
Jul. Baer Hdg B	1460	1446	1446	1458
Nestle R	1503	1487	1487	1490
Novartis R	1600	1583	1586	1582
Oerlikon R	147.25	144	146	144.50
Pargesa Hld B	1495	1480	1485	1489
PharmVisn B	675	658	670	670
Pirelli B	217	209.50	212	211
Roche Hdg PC	11930	11790	11790	11780
SBC R	251	248.50	249	249.75
Schindler B	1520	1490	1520	1528
SGS B	3155	3090	3140	3155
SMH B	970	952	956	950
Sulzer R	945	934	937	944
Swiss Reins R	1397	1368	1391	1369
Swissair R	1257	1233	1233	1235
UBS B	1193	1174	1174	1180
Valora Hdg R	268	264	268	268
Winterthur R	847	831	838	833
Zurich Assur R	383.50	378	378	381.50

The Trib Index

Closing prices.

Jan. 1, 1992 = 100.	Level	Change	% change	year to date % change
World Index	147.62	-1.72	–1.15	+12.10
Regional Indexes				
Asia/Pacific	109.918	-2.79	–2.48	–18.13
Europe	158.94	-1.73	–1.08	+14.20
N. America	169.17	-0.93	–0.55	+31.88
S. America	125.33	-0.61	–0.48	+40.76
Industrial Indexes				
Capital goods	173.29	-2.46	–1.40	+30.41
Consumer goods	163.14	-1.49	–0.91	+18.16
Energy	175.35	+0.23	+0.13	+29.30
Finance	107.93	-2.69	–2.43	–15.17
Miscellaneous	165.07	-1.42	–0.85	+21.54
Raw Materials	173.53	-1.21	–0.69	+22.38
Service	136.18	-0.88	–0.64	+13.48
Utilities	140.83	-2.05	–1.43	+10.77

The International Herald Tribune World Stock Index © tracks the U.S. dollar values of 280 internationally investable stocks from 25 countries. For more information, a free booklet is available by writing to The Trib Index, 181 Avenue Charles de Gaulle, 92521 Neuilly Cedex, France. *Compiled by Bloomberg News.*

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NYSE

Monday's 4 p.m. Close

Nationwide prices, not reflecting late trades elsewhere.
The Associated Press.

52 Week High	52 Week Low	Stock	Div	Yld %	PE	Sales 100s	High	Low	Latest	Ch'ge
		A-B-C								

Continued on Page 16

Australian News Is Barons' Latest Battlefront

By Clyde H. Farnsworth
New York Times Service

SYDNEY — It is one of the great rescue tales of the decade — the lone British yachtsman plucked from the stormy seas between Australia and Antarctica after being entombed for four days inside the overturned hull of his 20-meter (66-foot) ketch.

Frostbitten, dehydrated, surviving on "a bit of chocolate" and bottled water, his body racked by long exposure to icy seas, Tony Bullimore was found through a highly skilled operation of the Australian Navy and Air Force after his sailboat capsized this month in a solo round-the-world race. Two French sailors in the race were also rescued from other boats that foundered.

But it was Mr. Bullimore, whose ordeal was the most harrowing, who became the center of the media's attention after the rescue. Soon afterward, a less heroic struggle got under way, involving the open checkbooks and bare knuckles of Australian television networks and media giants behind them.

So rough did the jostling get for the exclusive on the great survival story, with one of the networks even hiring bodyguards to keep the others at bay, that some suggested Mr. Bullimore might have preferred to turn around and return to the ocean.

This was not the first time that television networks owned at least in part by the billionaires Rupert Murdoch and Kerry Packer had tangled. Last year's Olympic Games in Atlanta turned into virtual skirmishes between rival camera crews seeking out Australian medalists. Almost routinely, the networks raid one another's talent and borrow from a full bag of dirty tricks to obstruct their rivals' news-gathering efforts.

The networks raid one another's talent and use dirty tricks to thwart rivals' news-gathering.

As in other countries, the competition here for news is driven by ratings and money. The battleground is the nightly news broadcast. The main news shows are on the air between 6 P.M. and 7 P.M., and viewers are likely to spend the evening with the network they choose for news, so millions of dollars in revenue hinge on the success of the news shows.

"It's a bare-knuckled business," said Alan Knight, director of the Australian Center for Independent Journalism at the University of Technology in Sydney. "You don't stay as news editor of Channel 7 or Channel 9 if you fail to deliver the ratings that Murdoch and Packer want to maintain their income."

What makes the media wars particularly rough is the high concentration of ownership in a modest market of 18 million people. A few big fish are thrashing in a little pond.

The worldwide News Corp. empire, which Mr. Murdoch built from a newspaper in Adelaide inherited from his father, now includes papers with two-thirds of the Australian readership — and practically all Australian newspapers outside Sydney and Melbourne. Mr. Murdoch is a joint owner with another media baron in Seven Network Ltd., which runs Channel 7. The other owner is Kerry Stokes, a partner with the American financier Kirk Kerkorian in the film studio Metro-Goldwyn-Mayer. Mr. Murdoch, who owns 15 percent of Seven Network, and Mr. Stokes, who has 23 percent, delegate management of the station to an aggressive team of professionals. The two men see eye to eye on the need to maximize profits.

Meanwhile, Mr. Packer's Publishing & Broadcasting Ltd. holding company is solely in control of Nine Network Australia Ltd., parent of Channel 9. It is also Australia's largest magazine publisher and recently acquired control of the Sydney Harbor casino from Showboat Inc. of the United States. Mr. Packer is reported to be interested in buying control of John Fairfax Holdings Ltd., which owns most of the papers in Australia that Mr. Murdoch does not control, including The Sydney Morning Herald, its flagship.

The third commercial network is Network Ten Ltd., which controls Channel 10 and is owned by Canadian interests.

Each of the three commercial networks tried to get Mr. Bullimore's story for itself, but the battle was chiefly between the two richest and most aggressive — Channel 7 and Channel 9.

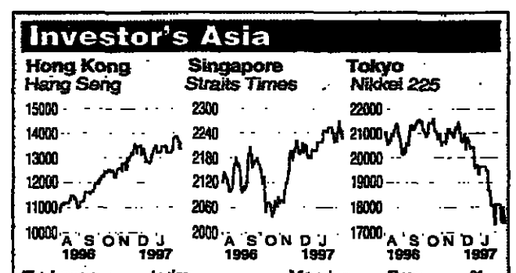
Michael Southwell, a reporter for Channel 9, said he was roughed up by people working for Channel 7 when he tried to take his camera crew into the public reception room of a hospital in Perth where Mr. Bullimore went for treatment.

"When the ambulance arrived, suddenly these guys were shoving us off balance and getting in front of the camera so we couldn't get shots," Mr. Southwell said. "It was outrageous."

John Rudd, a producer for Channel 7, acknowledged his network had hired security men "to protect Mr. Bullimore from a great many people who wanted to talk to him."

The Seven Network "made an arrangement with Mr. Bullimore and his family," Mr. Rudd said. He declined to disclose details but described amounts cited in the press, ranging up to $200,000, as "grossly exaggerated."

Investor's Asia



Exchange	Index	Monday Close	Prev. Close	% Change
Hong Kong	Hang Seng	13,294.90	13,379.55	-0.63
Singapore	Straits Times	2,225.35	2,242.71	-0.77
Sydney	All Ordinaries	Closed	2,423.00	-
Tokyo	Nikkei 225	17,334.90	17,689.36	-2.00
Kuala Lumpur	Composite	1,239.35	1,244.13	-0.38
Bangkok	SET	840.42	848.56	-0.96
Seoul	Composite Index	664.70	685.11	-2.98
Taipei	Stock Market Index	7,156.96	7,212.28	-0.77
Manila	PSE	3,323.10	3,332.53	-0.28
Jakarta	Composite Index	684.98	678.91	+0.89
Wellington	NZSE-40	2,393.25	2,400.27	-0.29
Bombay	Sensitive Index	3,562.74	3,435.82	+3.70

Source: Telekurs — International Herald Tribune

Very briefly:

- **India** is studying the feasibility of introducing a bill next month to end the state monopoly on radio and television.
- **Malaysia** is drafting five "cyber laws" to underpin its ambition of becoming a global hub for multimedia companies, its telecommunications and posts minister said.
- **Volkswagen AG** denied a report that it would invest more than $100 million in a joint-venture car factory in India, although a spokesman said VW had been seriously considering investing in India for three years.
- **Southeast Asia** will account for a significant portion of the expected 67 percent growth in global sea trade over the next decade, shipping-company executives said at a conference in Singapore, but tax and ship-registration policies in the region might hinder banks' efforts to lend the $200 billion to $400 billion necessary to fund global fleet growth.
- **China's** state-owned enterprises are showing fewer losses, partly because of interest-rate cuts made last year, the official State Statistics Bureau said. Only 30 percent of the 380,000 companies surveyed lost money in the second half of 1996, down from more than 50 percent in the first half.
- **Taiwan's** central bank will not cut its forecast for consumer-price inflation in 1997 to 3.0 percent from 3.3 percent unless compelled to do so by the cabinet, a bank official said. Analysts said the refusal indicated that the Central Bank of China was resisting adopting Taipei's figures, which the bank regards more as targets than as forecasts.
- **New Zealand's** current-account deficit widened in the fourth fiscal quarter on a slump in the services sector, bringing the deficit for the year ended Sept. 30 to a record 4.20 billion dollars ($2.92 billion). *AFX, Bloomberg, Reuters*

Giordano Shares Fall 25%

Investors Question Company's Future in China

Compiled by Our Staff From Dispatches

HONG KONG — Shares in Giordano International Ltd., coming off a week's suspension from trading, fell 25 percent Monday amid investor concern that the company founder's criticism of Chinese leaders would thwart its expansion efforts.

Investors sold the stock after the company, one of Asia's fastest-growing apparel merchants, said talks to set up a joint venture with a Chinese partner had stalled. The announcement cast doubt on Giordano's ability to grow in the world's most populous country and sustain its five-year record of strong profit growth.

Giordano's stock, which had been suspended from trading at the company's request since Jan. 17, closed at 3.80 Hong Kong dollars (49 cents), down 1.25.

The slide in the shares, which have fallen 71 percent this month, illustrated the murky link between politics and business in China and may foreshadow more problems for Hong Kong companies after the territory returns to Chinese control July 1.

"When you buy Giordano, you're actually buying all the uncertainties it's facing in China," said Christina Cheung, a director at RBC Investment Management (Asia) Ltd. The nine-year-old company's problems in China stem from actions by its founder, Jimmy Lai, whose Next magazine attacked Prime Minister Li Peng in 1994 over his role in sending tanks to crush pro-democracy protests in Beijing in 1989. Shortly afterward, authorities closed Giordano's flagship Beijing store. *(Bloomberg, Reuters)*

Japan Stocks Fall on Fear for Banks

Compiled by Our Staff From Dispatches

TOKYO — A fresh anxiety attack over the health of Japan's once-mighty banking sector dealt another blow to Japanese stocks Monday, driving the benchmark share index down 2 percent in jittery trading.

Sales of bank shares were triggered by a variety of vague rumors about new problems and possible large losses on derivative securities by some Japanese banks, brokers said.

The talk raised concern about whether banks already struggling to tackle loan problems would be able to survive in a more competitive environment after the government pushed through its pending financial reform efforts, brokers said.

The Nikkei 225-share average lost 354.46 points to close at 17,334.90.

Darkening the banking sector's mood was a midafternoon announcement that Moody's Investors Service Inc. had lowered its ratings outlook for Nippon Credit Bank Ltd., Hokkaido Takushoku Bank Ltd., Yasuda Trust & Banking Co. and Chuo Trust & Banking Co. to negative from stable.

It said the banks had been having serious asset-quality problems and that their earnings, capital or reserves might not be enough to absorb their loan-loss provisions.

The report sent interest rates in the long-term government bond market lower as traders speculated that any further worsening of the health of Japan's financial sector could prevent the central bank from raising interest rates.

The discount rate, or the rate at which the central bank lends money to other banks, is at an all-time low of 0.5 percent.

"The Bank of Japan doesn't have much left. Interest rates are already as low as they can go," said Yoshiaki Mitsuoka, managing director at Daiwa Asset Management Co.

The yield on the No. 182 benchmark 10-year government bond fell 0.05 percentage point, to 2.35 percent, its lowest since Dec. 5.

(Reuters, Bloomberg, AFP)

■ Toshiba Blames Tokyo

The president of Toshiba Corp. said the slow pace of government reform was to blame for the recent decline in Japanese stocks, Bloomberg News reported.

"They move too slow," the executive, Taizo Nishimuro, said. Prime Minister Ryutaro Hashimoto, he said, "is not acting on what he is talking about. That is the dilemma the government is facing. The stock market reaction is an expression of disappointment."

INTERNET: *A Sleeker System Takes Shape for U.S. Scientists*

Continued from Page 11

million, five-year agreement with MCI.

Industry spokesmen estimate that MCI is spending 10 times the amount of its award from the foundation to build the network — an investment that should allow the company to offer high-performance Internet services to other customers later.

Most of the fiber-optic lines are already in place, being part of its national long-distance network. What is new are advanced switches (made by Fore Systems Inc. and Northern Telecom Ltd.) and routers (made by Cisco Systems Inc. and Ascend Communications Inc.), according to Charles Lee, manager of the project for MCI.

At the moment, the new network is the domain of scientists. As with the first Internet in the mid-1980s, Mr. Strawn's division has an "acceptable use" policy restricting use to researchers whose projects have gone through a peer review.

Once a project team gets on, however, others at the same campus with a valid need can use it too. Thirty-four colleges and universities meeting in Chicago last autumn agreed to link up over more capable fiber-optic lines at their own and their research sponsors' expense. Since then, the project has signed up at least 100 institutions.

Most campuses connect to the Internet now through connections that can carry 45 million bits, or 45 megabits, of data a second. This month, the figure- eight backbone run by MCI for the National Science Foundation is raising its capacity to 622 megabits a second from 155; this is more than 10 times the present Internet's capacity and more than 20,000 times the capacity of 28,800 bits a second on most computer modems.

Besides carrying vastly more data, the new Internet is different from today's in two other ways: first, users can be guaranteed links among two or more sites at once; second, the ability of distant computers to interact in real time makes the process so complex that even scientists cannot understand it without visualization. Thus, video will be integrated with on-line computing on the new Internet.

For example, people can walk around inside visualizations of, say, a molecule in "the Cave," a three-dimensional virtual-reality stage invented by Thomas DeFanti and Daniel Sandin of the University of Illinois at Chicago.

"This is very useful for working in environments you can never actually see," Mr. DeFanti said.

Users stand inside a virtual-reality theater while two SG Onyx computers project the model of some complex interrelationships, such as those involving a protein's effect on an antibody.

With a virtual-reality headset, the user sees a three-dimensional image of whatever is being modeled and, using an electronic wand, can manipulate the image, steering the computer's computations. The principle like that behind a product such as Lotus Notes, which lets remote users work on the same document simultaneously.

But there is a vast difference in scale. One project being undertaken on the new network involves studies of turbulence by Oliver McBryan, a professor of computer science at the University of Colorado. Turbulence has implications for ocean currents such as El Nino, hurricanes and solar flares.

The data collected by Mr. McBryan and his colleagues outran the abilities of their campus computers several years ago, so they began using the Pittsburgh Supercomputing Center. "These computations generate as much as a terabyte in one run," Mr. McBryan said, using a unit of measurement that describes one trillion bytes of data.

When MCI quadruples the maximum data transfer rate on the new backbone this month to 622 megabits a second, "We'll be able to bring the data back in a few hours" instead of waiting overnight or, in some cases, for weeks for the existing Internet to pass along the data, Mr. McBryan said.

Like others in the field of high performance computing, Mr. McBryan insisted he was not fed up with the present Internet: "I'm grateful for it when I'm on the road. But because there are so many people using the Internet today, it is clogged up and unable to support these high-end applications. What we're doing is not trying to have our own private network but explore the issues that have to be solved for the commercial network of the next decade to be able to provide these services. You can say we're debugging the next version."

Samsung Will Limit Imports to Curb Deficit

Bloomberg News

SEOUL — Samsung Co., South Korea's largest industrial conglomerate, and Ssangyong Corp., its sixth-largest, said Monday they would limit their imports to try to help the country curb its trade deficit.

Daewoo Corp., the fourth-largest industrial group here, said last week that it would import no consumer goods this year, citing the same reason.

South Korea's trade deficit has ballooned recently amid poor exports and a surge in imports of consumer and energy goods. The deficit doubled last year to a record $20 billion from the previous year.

Samsung's sales are equivalent to 15 percent of South Korea's gross domestic product. Its exports this year are projected to total $23 billion, and its imports to reach $13 billion. That means it accounts for 16 percent of the nation's exports and 8 percent of its imports.

Samsung's chairman, Lee Kun Hee, set those trade projections for this year. The resulting trade anticipated surplus of $10 billion in the company's account compares with a $7 billion surplus last year. Mr. Lee asked his executives to widen the surplus by conserving energy and curbing imports of consumer goods in response to what he called a "national economic crisis."

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Herald Tribune

NASDAQ

Monday's 3 p.m.

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The Associated Press.

12 Month High	12 Month Low	Stock	Div	Yld	PE	Sls 100s	High	Low	Latest	Ch'ge
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NYSE

Monday's 3 p.m.

(Continued)

12 Month High	12 Month Low	Stock	Div	Yld	PE	Sls 100s	High	Low	Latest	Ch'ge
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January 27, 1997

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d US Aggressive Equities $ 27.44
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Herald Tribune
SPORTS

WORLD ROUNDUP

A Retiring Lewis

ATHLETICS Carl Lewis, the most decorated track and field athlete in history, will end his career in June in his hometown of Houston.

"A lot of people have been encouraging me to stay on, and this is the first time I've said it will be my last season, but I intend to make my final race at Houston in June," Lewis said at a meet in Sydney.

Lewis, 35, has won nine Olympic gold medals and eight world titles. He has been involved in 10 world records, and had 65 consecutive victories in the long jump between 1981 and 1991. *(AP)*

Cantona Suspended

SOCCER Manchester United's Eric Cantona has been suspended for two matches after being booked in Saturday's F.A. Cup match against Wimbledon. The suspension is Cantona's first since he was banned for an assault on a Crystal Palace fan during a match in January 1995.

• The Portuguese team Boavista was fined $35,000 on Monday for failing to control its fans during a UEFA Cup match against Internazionale Milan. The fans pelted a UEFA official with coins during the match in Boavista's home city of Porto in December. *(Reuters)*

Big Batting in Adelaide

CRICKET Brian Lara's 65 not out, including 11 fours and two sixes, was a virtual oasis in a West Indies batting desert, as four wickets fell about him in the final session to leave his team 154 for six at on the third day of the test against Australia in Adelaide.

The West Indies has the enormous task of reaching 387 with just four wickets in hand to make Australia bat again.

• England skittled New Zealand's opening batsmen in the second innings to press for an improbable victory in the first cricket test in Auckland on Monday.

At stumps on the fourth day, New Zealand was 56 for three in their second innings, with Adam Parore on 16 and captain Lee Germon on four. New Zealand trails England by 75 runs overall. *(Reuters)*

Packers' Moxie Wins in a Game of 'Can You Top This?'

Doug Mills/The Associated Press

Packers' Brett Favre cheering after his touchdown pass to Andre Rison.

By Thomas George
New York Times Service

NEW ORLEANS — The Green Bay Packers showed the moxie, the courage and the spirit in the Super Bowl that they had displayed all season. They raced ahead. They fell behind. And then they got up and put the New England Patriots on the ground for good, winning, 35-21, in the Louisiana Superdome.

It was the 13th consecutive victory for the National Football Conference, a string that began with San Francisco's victory over Miami in Super Bowl XIX.

The Packers played with a confidence and in some areas a dominance similar to that of the Packer teams Vince Lombardi fashioned in the late 1960s, those bruising teams with the penchant for supreme execution. That is what the Green Bay offense did on Sunday, relying primarily on the wonderful arm of quarterback Brett Favre and on the special talents of receivers Andre Rison and Antonio Freeman. And don't forget Desmond Howard, the first special-teams player to win the Super Bowl most valuable player trophy.

After a first half in which Green Bay finished on top, 27-14, the Patriots drove with gusto in the third quarter. A Curtis Martin 18-yard run up the middle closed the gap to 27-21. There were 3 minutes, 27 seconds left in the third quarter. Plenty of time for the Patriots to finish what they had started.

But Howard picked a fine time to return his first kickoff for a touchdown as a pro. Exactly 17 seconds expired between Martin's score and the beginning of Howard's 99-yard dash, the longest touchdown kickoff return in Super Bowl history. Howard skipped and danced and pranced, and before long he had outrun every Patriot into the end zone.

And just like that, he had run the Patriots out of the game and out of Super Bowl XXXI.

"On that kickoff return, he just kept going full speed through the hole," the Patriots' wide receiver Terry Glenn said. "They made a lot of big plays. That was the biggest."

Howard returned four kickoffs for 154 yards (a record 38.5-yard average) and six punts for a record 90 yards: that's 244 yards in kick returns, also a Super Bowl best.

Those numbers told a large part of the story. Complementing them were these: Favre completed 14 of 27 passes for two touchdowns and no interceptions. New England's Drew Bledsoe matched him in touchdowns, and completed 25 of 48 passes for 253 yards, but threw four interceptions.

From the start, this Super Bowl was one big play after another, as the Patriots and the Packers played can-you-top-this football. After only a half, 41 points had been scored and three Super Bowl records had fallen.

Green Bay had 27 of those first-half points, including the game's first 10. It looked as if the Packers were on their way to a quick blowout before the Patriots rebounded to score the next 14 points. Then the Green Bay offense went on a scoring spree again to finish with a 27-14 halftime lead.

This tussle started with New England winning the coin toss, electing to receive and punting after Bledsoe missed running back David Meggett on third-and-10 from the New England 36 with a pass that was too high and too long. Meggett was wide open. Bledsoe mistimed it, misfired it and was obviously just a little too jittery.

There had been a lot of talk about Favre's possibly being that way, too, that Favre usually starts games so excited that he might throw his first Super Bowl pass 54 rows into the Superdome stands.

How about 54 yards into the end zone? That's what Favre did. After Bledsoe missed Meggett and the Patriots punted, Favre saw the Patriots cheating toward the middle and up toward the line to contend with Green Bay's two-tight-end alignment. Favre called for the deep post, from the left to the middle, and Rison ran it beautifully. It was a 54-yard score and Green Bay had gained a 7-0 lead with 11:28 left in the first quarter.

Bledsoe was 14 of 29 for 187 yards, with 2 touchdowns and 2 interceptions, in the first half. He passed for 123 yards in the first quarter. But on his second possession of the game, he was intercepted by cornerback Doug Evans at the Patriots' 28.

All the Patriots' defense allowed after the turnover, though, was a 37-yard field goal by Chris Jacke. That gave Green Bay a 10-0 lead only 6:18 into the first quarter. The rest of the quarter would belong to the Patriots. They scored two touchdowns and exited the quarter with a 14-10 lead.

But Green Bay won the second quarter, 17-0, and got it started in dramatic fashion. The Packers spread the Patriots' defense with a multiple-receiver formation and with everyone spread wide across the line of scrimmage. That matched up Freeman with safety Lawyer Milloy.

Mismatch. Milloy bumped Freeman at the line, but then Freeman zipped right past him for a touchdown catch that proved to be the longest play from scrimmage — 81 yards — in the history of the Super Bowl.

In the Coaching Game, Are Oldies Really Goldies?

Vantage Point / TIMOTHY W. SMITH

New York Times Service

NEW ORLEANS — Visions of Vince Lombardi trophies must have been dancing in the heads of the Rams owner, Georgia Frontiere, and the Saints owner, Tom Benson, at the Super Bowl. Surely, the sight of the silver-haired, 56-year-old Bill Parcells patrolling the sidelines made them think that a golden oldie can still make sweet music.

Last week, the Rams dug up Dick Vermeil, the former Eagles coach who has been out of the business for 14 seasons. Vermeil is not a fossil, but some of his game plans need to be deciphered with the Rosetta stone.

Now comes word that the Saints have hired Mike Ditka, the former Bears coach who has spent the last four years talking about football in an NBC studio.

That leaves one more official coaching vacancy — the Oakland Raiders. O.K., the Jets job is open, but everyone is convinced that Parcells is going to take that one.

If the Rams and Saints took a look at Parcells as an example of an older coach who has gotten the job done and used it as a barometer in hiring Vermeil and Ditka, then they've been working with a busted gauge.

Yes, Parcells took a sabbatical from the game, leaving the New York Giants after the team's victory over Buffalo in Super Bowl XXV in 1991 and going to NBC for two years. Parcells spent two years talking football. But he didn't do it as long as Vermeil or Ditka. He wasn't as out of touch with the nuts and bolts of the game as long as they have been.

Much has changed since Vermeil has been away from the game. The West Coast offense, the zone blitz and free agency are all new elements that Vermeil has never had to deal with. A couple of generations of players have come and gone since Vermeil left the game in 1984, complaining of burnout.

The Packers' coach, Mike Holmgren, who is considered one of the brightest National Football League coaches in the game, said the players' attitudes have changed dramatically in just the last five years.

"It used to be five years ago you could ask guys to do things and they'd do them," Holmgren said. "Now, I ask my guys to do things and they say, 'Hey, wait a minute, why are we doing it this way?' "

What's going to happen the first time a player goes up to Ditka and asks why they're doing something a certain way? Is Ditka going to smack him across the chops? Sentence him to run the stadium stairs? Same for Vermeil.

Parcells returned just in time for the heralding of the free-agency era in the NFL. Vermeil and Ditka have not had to deal with salary caps and free-agent visits in their previous NFL tenures.

The major question about Vermeil and Ditka is whether the modern NFL game has passed them by. It seemingly had passed by Ditka, who was fired by the Bears after a 5-11 season in 1992. Ditka was coach of the year in 1985 and 1988, but his abrasive demeanor and caustic behavior rankled players, fans and Bears management.

Vermeil's workaholic style drove him away from the game. If he remains as driven as he was in 1984, he'll be doing more than sleeping several nights a week on a couch in his office, which was his habit when he was with the Eagles. The demands on an NFL coach today are far greater than they were in 1984.

Maybe Vermeil's saving grace will be that many of the things he was doing in 1984 have been out of vogue so long that they'll be new again.

Sort of like bell-bottoms and platform shoes.

SUPER: *Packers' Victory Restores Green Bay as Titletown U.S.A.*

Continued from Page 1

as if he was giving a farewell speech. "And then I thanked them for what they've given to me this year in terms of effort. They fought hard, we just cracked a little bit under the pressure."

With the victory, the Packers once again return to the list of winners. They have played in three Super Bowls and won them all — the first, the second and the 31st.

"I'm really humbled by the experience," said Holmgren. "This is the greatest group of players I've ever been around, the most unselfish group of players I've ever been around.

"Coach Lombardi had a wonderful legacy for the rest of us, and now we're trying to do our part."

Winning is the only thing, Lombardi once said, but scattered throughout the crowd on Sunday were Packers fans whose tales of pride and obsession offered a variation of that theme: To them, being loyal to their team was everything, and winning, when it happened, was just a final sweet reward for perseverance.

A group of four fans from Oshkosh, Wisconsin, made it inside the Superdome, driving through the night to reach New Orleans, and from seats scattered around the stadium, bought on the street for $1,000 each, their hearts soared the first time a Packer touched the ball: Howard fielding a punt and scooting 32 yards upfield, the first of a gameful of extraordinary dashes by him.

Two plays later they were on their feet again, celebrating Favre's 54-yard touchdown pass to Andre Rison.

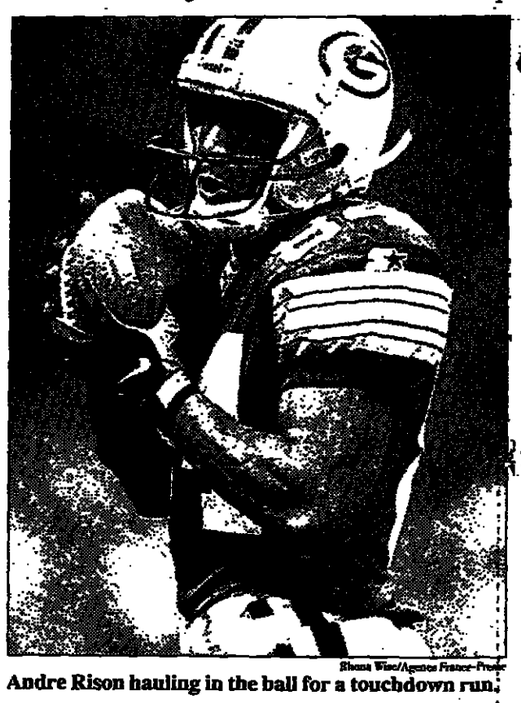
But after Green Bay jumped to a 10-point lead, they and the throng of Packers backers were stunned into silence by a 14-point Patriots comeback that brought the fans of New England to life. The electrifying first quarter produced more points — 24 — than any previous Super Bowl.

Such tribulations were nothing new for the Oshkosh quartet, best friends since junior high, who were all born in 1967, the final triumphant year of Lombardi. Their lives traced the lost years of Packers mediocrity until the recent resurgence.

"What was the low point?" Bill Glatz, who sells asphalt, said, pondering his lifetime of fanaticism. "For a Packers fan, there is no low point. The team unity, the connection between the team and the community. We don't want to lose, but no one game breaks a Packers fan. It is a way of life."

Glatz and his buddy, Tom Weisheipl, a student at Wisconsin-Oshkosh, were within shouting distance of one another, 10 rows apart in Section 102 in the end zone. The other members of the quartet, Dan Muza, a lawyer, and Joe Gorwitz, also a student, were on the other side of the Superdome and up in club seats.

They dressed for the game with the care of real players. Glatz wore No. 21 in green and gold, the jersey of cornerback Craig Newsome. Gorwitz also came as Newsome. Muza wore Favre's jersey, the ubiquitous No. 4, and Weisheipl entered the stadium as No. 87, the uniform of wide receiver Robert Brooks.



Shona Wise/Agence France-Presse

Andre Rison hauling in the ball for a touchdown run.

The bond that so strongly connects the Oshkosh boys to a football team of players who in essence are mercenaries brought to Wisconsin at multimillion-dollar salaries from college football factories around the country is best explained by how Weisheipl got his jersey.

He and his pals were walking down a street in New Orleans when they saw Brooks in his rented black Chevy Blazer, waiting for a light to change.

Brooks caught sight of Weisheipl, rolled down his window, and asked, "Hey, man, how come you don't have a jersey?"

The Oshkosh fan, wearing a workday shirt, explained that he hadn't had time to buy a uniform. "Hold on," said Brooks, who reached into his back seat and tossed Weisheipl an autographed jersey. "Now you're ready."

Steffi Graf Is Still Under Investigation

Reuters

BONN — German prosecutors said Monday that they were still investigating the tennis star Steffi Graf, whose father was found guilty last week of evading millions of dollars in tax on her earnings.

The Mannheim prosecutor, Hubert Jobski, whose office has been in charge of the tax investigation, said, "The investigations into Steffi Graf are still going on. We are in charge of the case and will conclude it as soon as we can."

The judge who sentenced her father, Peter Graf, on Friday to three years and nine months in jail on six counts of actual and attempted tax evasion said there was no indication that Steffi Graf, whose signature was on the tax returns, had actively participated in the crime. He recommended that the continuing investigation of her should be dropped.

But Jobski said the judge's recommendation had no bearing on the investigation, adding: "I wouldn't like to speculate about the outcome of the investigation."

Steffi Graf has told tax investigators she entrusted her financial affairs to her father from an early age and had little idea how her money was managed.

The prosecutor has in the past said the suspicions against Steffi are less serious than those against her father, and indicated that he would study the outcome of Peter Graf's trial before deciding how to proceed with the case against her.

In Tokyo, Steffi Graf appeared at a news conference Monday before a tournament, but declined to answer questions about the conviction of her father for tax evasion.

Speaking before the opening of the Pan Pacific Women's Open on Tuesday, Graf still looked weary from a flight from Australia, where she had been defeated in the fourth round of the Australian Open and suffered heat exhaustion.

The issue of her father's conviction came up when reporters shouted questions to Graf when she was leaving the room. She walked away with a shrug.

SPORTS

Alley-Oops Help Terrapins Past Blue Devils in Stretch

The Associated Press

A couple of alley-oop plays gave Maryland a big boost Sunday.

Laron Profit dunked a pair of lob passes from Sarunas Jasikevicius down the stretch, helping the No. 7 Terrapins beat the No. 10 Blue Devils, 74-70. With the victory, Maryland moved up two spots to fifth place in the Division I rankings. (See Scoreboard.)

"He's a great passer, and when he throws it up there, I go get it," said

COLLEGE BASKETBALL

Profit, who finished with 16 points. "There's not really too much of a debate on the location. He gets it there and I take care of the rest."

The first alley-oop tied it at 66 with 4:07 left and the second gave Maryland the lead for good, 68-66.

Terrell Stokes made two foul shots with 1:03 left to give Maryland a 72-67 lead, but Duke pulled within two on Jeff Capel's 3-pointer with 54 seconds remaining. Jasikevicius had a layup blocked, giving Duke a chance for its second straight last-second victory at Cole Field House. But Steve Wojciechowski was called for charging with 2.2 seconds remaining, and Profit made two foul shots to clinch the victory.

Keith Booth had 15 points, nine rebounds and six assists for the Terrapins (17-2, 6-1 Atlantic Coast Conference). Roshown McLeod led Duke (15-5, 4-3) with 22 points and 11 rebounds.

No. 1 Kansas 77, No. 18 Colorado 68 In Boulder, Colorado, Raef LaFrentz scored 21 points and Jerod Haase added 20 as Kansas survived a scare. The Jayhawks (20-0, 6-0 Big 12) led by as many as 16 points in the first half, but a second-half rally put the Buffaloes (15-4, 6-1) up 64-63 with 6:19 left. LaFrentz then took charge, sparking a 10-0 run.

No. 19 North Carolina 61, No. 2 Clemson 48 Antawn Jamison scored 22 points as North Carolina handed Clemson (16-3, 5-2) its 43d straight loss at Chapel Hill. The Tar Heels (12-5, 3-4 ACC) played their best defense of the season and shot 63 percent from the field in the second half.

No. 3 Kentucky 83, Arkansas 73 Nazr Mohammed scored six points in the final four minutes and visiting Kentucky's pressure was too much for Arkansas. The Wildcats (18-2, 6-1 Southeastern Conference) missed nine free throws in the final 6:06. The Razorbacks (10-6, 4-3) made only 26 of 64 attempts from the field.

No. 9 Cincinnati 100, Southern Cal 81 In Los Angeles, Darnell Burton scored a career-high 31 points, including six 3-pointers to become Cincinnati's career leader in that category. Burton has 262 3-pointers in his four-year career, passing LaZelle Durden's mark of 260. The Bearcats (14-3) won for the 12th time in 13 games.

No. 21 Indiana 70, Penn St. 55 In State College, Pennsylvania, A.J. Guyton scored seven consecutive points during a 26-2 run and Indiana (17-4, 4-3 Big Ten) held Penn State without a field goal for more than 11 minutes, while it turned an 8-7 deficit into a 33-10 lead.

No. 23 Texas 78, Missouri 74 In Austin, Texas, Reggie Freeman scored 17 points and Al Coleman added 16 for the Longhorns (11-5, 5-1 Big 12). Texas watched a 15-point lead disappear in the second half but relied on its pressure man-to-man defense and foul shooting to defeat the Tigers (10-9, 2-5).

No. 25 Marquette 61, DePaul 49 In Chicago, Chris Crawford scored 22 points and Marquette's defense held DePaul to 25 percent shooting. Marquette (13-3, 4-1 Conference USA) took control with a 14-0 first-half run.

Henny Ray Abrams/Agence France-Presse

Miami's Alonzo Mourning under pressure from Patrick Ewing.

Knicks Beat Heat, 95-89

The Associated Press

The Knicks kept Pat Riley out of the All-Star game with a 95-89 triumph over the Miami Heat in New York.

Patrick Ewing scored 24 points, Al-

NBA ROUNDUP

lan Houston had 17 and Charles Oakley 16 for the Knicks. The victory prevented Riley from coaching the Eastern Conference All-Stars in two weeks. Since Phil Jackson of Chicago can't coach the All-Stars two years in a row, the spot goes to the conference coach with the next-best record through Sunday's games. A victory would have done it for Miami, but instead the job will go to Doug Collins of the Detroit Pistons.

Bucks 94, Spurs 76 Glenn Robinson scored 19 points and grabbed 12 rebounds and Milwaukee held visiting San Antonio to 10 points in the final quarter.

Lakers 104, SuperSonics 103 In Seattle, Nick Van Exel scored 25 points, Eddie Jones had 23 points and two key free throws with 1:07 left.

Jones Birdies to Victory

Reuters

SCOTTSDALE, Arizona — Steve Jones birdied the last two holes to win the Phoenix Open by 11 shots, but fell one stroke short of equaling the all-time PGA Tour scoring record.

Jones shot a final-round 67 to finish at 26 under par, 11 in front of Jesper Parnevik of Sweden, who also had a 67. Nick Price of Zimbabwe was alone in third place at 14 under after a three-under-par 69.

"Thank God it's over," Jones said of the tournament, which brought the sixth victory of his career, the first since the U.S. Open in June. "This is the kind of result you can never predict. My goal after winning the U.S. Open was to prove I could win again."

Jones thought the PGA Tour scoring record, set by Ben Hogan in 1945 and matched by Mike Souchak in 1955, was 26 under par rather than 27, and so he believed he had made it. "I'm on the last hole, I've got the tournament won, and yet I'm feeling pressure," he said. "When does the pressure stop?"

For the rest of the field the pressure stopped when Jones began his round by sinking two 25-foot putts, on the first hole for birdie and the next hole for par.

"My putter was phenomenal," Jones said. "I ought to have it bronzed when I'm done."

Lemieux Scores at Home

The Associated Press

Mario Lemieux finally played in his hometown the way he plays everywhere else. He tied a National Hockey League record with four goals in the third period to lead the Pittsburgh Penguins to a 5-2 victory over the Montreal Canadiens.

Pittsburgh's rookie goalie, Patrick Lalime, made 42 saves to bring his personal record to 15-2-2, as the Penguins

NHL ROUNDUP

won in Montreal Sunday for the first time since Oct. 29, 1988.

For Lemieux, a Montreal native, the performance erased some bad memories. "That's the best I've ever played here," said Lemieux, who became the 11th player to score four times in one period.

"It's always difficult for me to play here. A lot of pressure. There are so many people I have to take care of. Last night I chose to stay in my hotel room so I could relax."

The move paid off.

"Mario just took over in the third period," said the Canadiens' captain, Vincent Damphousse. "He got some breaks and he doesn't miss on too many of those."

Lemieux is the first player to score four goals in a period since Washington's Peter Bondra on Feb. 5, 1994.

Jason Woolley scored Pittsburgh's other goal on the power play, while Ron Francis had three assists.

Oilers 3, Capitals 1 In Landover, Maryland, Dan McGillis's second goal of the game snapped a third-period tie as Edmonton beat Washington for the first time since 1992.

McGillis got a step ahead of Washington defenseman Ken Klee, took a pass from Mariusz Czerkawski and poked it past goalie Olie Kolzig at 4:53 into the final period.

SCOREBOARD

FOOTBALL

XXXI SUPER BOWL

New England	14	0	7	0	—21
Green Bay	10	17	8	0	—35

FIRST QUARTER
GB—Rison 54 pass from Favre (Jacke kick), 3:32.
GB—FG Jacke 37, 6:18.
NE—Byars 1 pass from Bledsoe (Vinatieri kick), 8:25.
NE—Coates 4 pass from Bledsoe (Vinatieri kick), 12:27.

SECOND QUARTER
GB—Freeman 81 pass from Favre (Jacke kick), :56.
GB—FG Jacke 31, 6:45.
GB—Favre 2 run (Jacke kick), 13:49.

THIRD QUARTER
NE—Martin 18 run (Vinatieri kick), 11:33.
GB—Howard 99 kickoff return (Chmura pass from Favre), 11:50.
Attendance: 72,301.

	NE	GB
First downs	16	16
Rushes-yards	13-43	36-115
Passing	214	208
Punt Returns	4-30	6-90
Kickoff Returns	6-135	4-154
Interceptions Ret.	0-0	4-24
Comp-Att-Int	25-48-4	14-27-0
Sacked-Yards Lost	5-39	5-38
Punts	8-45.1	7-42.7
Fumbles-Lost	0-0	0-0
Penalties-Yards	2-22	3-41
Time of Possession	25:45	34:15

INDIVIDUAL STATISTICS
RUSHING
New England, Martin 11-42, Bledsoe 1-1, Meggett 1-0.
Green Bay, Levens 14-61, Bennett 17-40, Favre 4-12, Henderson 1-2.
PASSING
New England, Bledsoe 25-48-4-253. Green Bay, Favre 14-27-0-246.
RECEIVING
New England: Coates 6-67, Glenn 4-62, Byars 4-42, Jefferson 3-34, Martin 3-28, Meggett 3-8, Brisby 2-12.
Green Bay: Freeman 3-105, Levens 3-23, Mo... 2-77, Henderson 2-14, Chmura 2-13, ...son 1-10, Bennett 1-4.
MISSED FIELD GOALS
Green Bay, Jacke 47 (WR).
INTERCEPTIONS
New England: 0
Green Bay: B.Williams 1, Prior 1, Evans 1, Newsome 1; Total: 4.
PUNTING
New England: Tupa 8.
Green Bay: Hentrich 7.
PUNT RETURNS
New England: Meggett.
Green Bay: Howard 6.

BASKETBALL

NBA STANDINGS

EASTERN CONFERENCE

ATLANTIC DIVISION	W	L	Pct	GB
Miami	30	12	.714	—
New York	30	13	.698	½
Washington	21	21	.500	9
Orlando	19	19	.500	9
New Jersey	11	29	.275	18
Boston	9	30	.231	19½
Philadelphia	9	33	.214	21
CENTRAL DIVISION				
Chicago	37	5	.881	—
Detroit	30	11	.732	6½
Atlanta	28	12	.700	8
Charlotte	24	18	.571	13
Cleveland	23	18	.561	13½
Milwaukee	21	21	.500	16
Indiana	19	21	.475	17
Toronto	14	27	.341	22½

WESTERN CONFERENCE

MIDWEST DIVISION	W	L	Pct	GB
Houston	32	11	.744	—
Utah	29	13	.690	2½
Minnesota	19	23	.452	12½
Dallas	14	26	.350	16½
Denver	13	30	.302	19
San Antonio	11	29	.275	19½
Vancouver	8	36	.182	24½
PACIFIC DIVISION				
L.A. Lakers	31	12	.721	—
Seattle	30	13	.698	1
Portland	25	18	.581	6
Sacramento	18	25	.419	13
L.A. Clippers	16	24	.400	13½
Golden State	16	25	.390	14
Phoenix	15	27	.357	15½

SUNDAY'S RESULTS

L.A. Lakers	22	34	27	21	—104
Seattle	22	29	29	23	—103

L.A.: Van Exel 10-27 1-1 25, Jones 6-14 7-8 23; S: Payton 8-17 8-8 25, Schrempf 6-12 6-8 18. Rebounds—Los Angeles 58 (O'Neal 11), Seattle 46 (Kemp 13). Assists—Los Angeles 24 (Van Exel 6), Seattle 24 (Payton 7).

Miami	21	26	23	19	— 89
New York	28	21	21	25	— 95

M: Mourning 7-17 8-12 22, Austin 5-11 4-6 14, Brown 7-12 0-0 14; N.Y.: Ewing 9-19 6-8 24, Houston 6-14 3-5 17. Rebounds—Miami 48 (Askins, Brown 8), New York 49 (Oakley 11). Assists—Miami 25 (Hardaway 12), New York 22 (Childs 6).

San Antonio	18	18	30	10	— 76
Milwaukee	23	26	24	21	— 94

S.A.: Herrera 9-15 4-4 22, Elliott 5-13 0-2 11, Perdue 4-6 3-4 11; M: Robinson 8-19 2-2 19, Newman 7-9 4-4 18. Rebounds—San Antonio 43 (Herrera 11), Milwaukee 40 (Robinson 12). Assists—San Antonio 19 (Johnson 9), Milwaukee 17 (Perry 5).

TOP 25 COLLEGE RESULTS

How the top 25 teams in The Associated Press' college basketball poll fared last week:

1. Kansas (20-0) beat Texas A&M 89-60; beat No. 18 Colorado 77-68. 2. Clemson (16-3) lost to No. 4 Wake Forest 65-62; lost to No. 19 North Carolina 61-48. 3. Kentucky (18-2) beat Vanderbilt 58-46; beat Arkansas 83-73. 4. Wake Forest (15-1) beat No. 2 Clemson 65-62; beat Florida State 61-58. 5. Utah (13-2) beat Rice 78-58.

6. Louisville (16-2) lost to Memphis 64-58; beat UCLA 74-71. 7. Maryland (17-2) beat Pennsylvania 103-73; beat No. 10 Duke 74-70. 8. Minnesota (18-2) beat Iowa 66-51; beat Purdue 91-68. 9. Cincinnati (14-3) beat North Carolina Charlotte 77-67; beat Southern Cal 100-81. 10. Duke (15-5) beat North Carolina State 70-55; lost to No. 7 Maryland 74-70.

11. Arizona (12-4) beat Oregon State 99-48; beat Oregon 88-66. 12. Villanova (15-4) lost to Syracuse 62-60; beat No. 22 Boston College 84-66. 13. Michigan (14-5) lost to No. 21 Indiana 72-70; beat Michigan State 74-61. 14. Iowa State (13-3) beat Kansas State 54-48; beat No. 20 Texas Tech 64-61. 15. New Mexico (15-3) beat Texas-El Paso 61-49.

16. Xavier, Ohio (13-3) beat George Washington 62-61; lost to Duquesne 78-70. 17. Stanford (13-3) beat Washington 78-67; beat Washington State 81-61. 18. Colorado (15-4) beat Baylor 74-70; lost to No. 1 Kansas 77-68. 19. North Carolina (12-5) lost to Florida State 84-71; beat No. 2 Clemson 61-48. 20. Texas Tech (13-4) beat Oklahoma State 70-64; lost to No. 14 Iowa State 64-61.

21. Indiana (17-4) beat No. 13 Michigan 72-70; beat Penn State 70-55. 22. Boston College (13-4) beat Pittsburgh 81-61; lost to No. 12 Villanova 84-66. 23. Texas (11-5) beat Oklahoma 76-66, beat Missouri 78-74. 24. Tulsa (15-4) beat Brigham Young 72-56. 25. Marquette (13-3) beat DePaul 61-49.

THE AP TOP 25

The top 25 teams in The Associated Press' college basketball poll, with first-place votes in parentheses, records through Jan. 26, total points based on 25 points for a first-place vote through one point for a 25th-place vote, and last week's ranking:

	Record	Pts	Prv
1. Kansas (70)	20-0	1,750	1
2. Wake Forest	15-1	1,645	4
3. Kentucky	18-2	1,623	3
4. Utah	13-2	1,456	5
5. Maryland	17-2	1,412	7
6. Minnesota	18-2	1,399	8
7. Clemson	16-3	1,334	2
8. Cincinnati	14-3	1,285	9
9. Louisville	16-2	1,225	6
10. Arizona	12-4	1,066	11
11. Iowa St.	13-3	949	14
12. Duke	15-5	938	10
13. New Mexico	15-3	811	15
14. Villanova	15-4	794	12
15. Stanford	13-3	770	17
16. Michigan	14-5	721	13
17. Indiana	17-4	556	21
18. Colorado	15-4	504	18
19. North Carolina	12-5	456	19
20. Xavier, Ohio	13-3	370	16
21. Tulsa	15-4	333	24
22. Texas Tech	13-4	274	20
23. Texas	11-5	251	23
24. Marquette	13-3	231	25
25. South Carolina	13-5	129	—

Others receiving votes: Boston College 96, Tulane 66, Pacific 63, Iowa 49, UCLA 36, Miami 32, Coll. of Charleston 29, Illinois 22, Georgia 15, Hawaii 15, Providence 11, California 9, Rhode Island 9, Florida St. 7, Princeton 5, Connecticut 4.

HOCKEY

NHL STANDINGS

EASTERN CONFERENCE

ATLANTIC DIVISION	W	L	T	Pts	GF	GA
Philadelphia	27	14	7	61	153	120
Florida	24	14	10	58	138	113
N.Y. Rangers	25	19	7	57	177	143
New Jersey	24	17	5	53	121	115
Washington	20	24	5	45	130	136
Tampa Bay	18	22	6	42	133	144
N.Y. Islanders	16	23	9	41	133	142
NORTHEAST DIVISION						
Pittsburgh	27	17	5	59	183	151
Buffalo	25	19	5	55	141	131
Hartford	20	21	7	47	140	152
Montreal	18	24	8	44	157	177
Boston	18	24	6	42	140	170
Ottawa	14	22	9	37	122	134

WESTERN CONFERENCE

CENTRAL DIVISION	W	L	T	Pts	GF	GA
Dallas	27	17	4	58	143	117
Detroit	22	16	9	53	144	108
St. Louis	23	22	4	50	149	155
Phoenix	21	23	4	46	135	153
Chicago	17	26	8	42	128	138
Toronto	19	30	0	38	147	171
PACIFIC DIVISION						
Colorado	29	12	8	66	165	115
Edmonton	23	22	5	51	160	150
Vancouver	22	23	2	46	150	158
Anaheim	18	23	6	42	133	143
Calgary	17	25	6	40	119	142
Los Angeles	17	25	6	40	129	162
San Jose	17	24	5	39	121	146

SUNDAY'S RESULTS

Edmonton	1	0	2—3
Washington	0	1	0—1

First Period: E-McGillis 4 (Lindgren, Lowe) Second Period: W-Bondra 30 (Johansson, Juneau) (pp). Third Period: E-McGillis 5 (Czerkawski) 4, E-Marchant 9 (Grier) Shots on goal: E- 10-8-7—25. W- 11-19-11—41. Missed penalty shots—Marchant, Edm., 1st (hooking from behind). Goalies: E-Joseph. W-Kolzig.

Pittsburgh	0	1	4—5
Montreal	1	0	1—2

First Period: M-Wilkie 4 (Tucker, Thornton) Second Period: P-Woolley 4 (Francis, Nedved) (pp). Third Period: P-Lemieux 31 (Francis, Jagr) 4, P-Lemieux 32 (Mullen, Nedved) 5, M-, Bordeleau 1 (Savage, Baron) 6, P-Lemieux 33 (Francis) 7, P-Lemieux 34 (en). Shots on goal: P- 11-13-14—38. M- 15-14-15—44. Goalies: P-Lalime. M-Thibault.

CRICKET

WEST INDIES TOUR
3D DAY OF 4TH TEST MATCH
AUSTRALIA VS. WEST INDIES
MONDAY, IN ADELAIDE

West Indies first innings: 130 in 47.5 overs; second innings: 154 for six from 54.3 overs
Australia first innings: 517 all out in 162.3 overs

ENGLAND TOUR
4TH DAY OF FIRST TEST MATCH
NEW ZEALAND VS. ENGLAND
MONDAY, IN AUCKLAND

New Zealand first innings: 390; second innings: 56 for three wickets
England first innings: 521 (overnight 366 for six)

GOLF

PHOENIX OPEN

Final scores Sunday after the $1.5 million Phoenix Open, played on the 6,992-yard, par-71 TPC of Scottsdale's Stadium Course at Scottsdale, Arizona:

S. Jones	62-64-65-67—258
J. Parnevik	66-66-70-67—269
N. Price	64-72-65-69—270
K. Perry	74-67-66-65—272
M. Calcavecchia	68-66-67-71—272
R. Fehr	66-68-66-72—272
P. Mickelson	70-71-66-66—273
T. Lehman	68-69-68-68—273
S. McCarron	71-68-64-70—273
M. Hulbert	69-69-66-69—273

SOCCER

AFRICAN NATIONS CUP
GROUP 1
Standings: Ghana 4 points, Zimbabwe 1, Angola 0.
Sudan withdrew
GROUP 2
Standings: Mali 6 points, Algeria 3, Ivory Coast 3, Benin 0.
GROUP 3
Morocco vs Ethiopia, postponed
Standings: Senegal 4, Egypt 2, Morocco 1, Ethiopia 0.
GROUP 4
Standings: Guinea 6 points, Tunisia 3, Central African Republic 0, Sierra Leone 0.
GROUP 5
Standings: Cameroon 4 points, Kenya 3, Namibia 3, Gabon 1.
GROUP 6
Tanzania 1, Zaire 2
Standings: Togo 6 points, Zaire 4, Liberia 1, Tanzania 0.
GROUP 7
Standings: Zambia 6, Mozambique 3, Malawi 3, Mauritius 0.

SPANISH FIRST DIVISION
Sporting Gijon 0, Oviedo 0
Standings: Real Madrid 49, Barcelona 46, Deportivo La Coruna 39, Real Sociedad 37, Betis 36, Atletico Madrid 35, Athletic Bilbao 32, Valladolid 30, Racing Santander 30, Tenerife 29, Valencia 28, Oviedo 26, Celta Vigo 24, Rayo Vallecano 23, Espanyol 23, Compostela 23, Sporting Gijon 22, Logrones 21, Sevilla 18, Hercules 18, Real Zaragoza 15, Extremadura 15.

FRENCH FIRST DIVISION
Monaco 2, Paris Saint Germain 0
Caen 2, Auxerre 3
Standings: Monaco 51, Paris-SG 44, Bastia 42, Bordeaux 40, Strasbourg 40, Metz 39, Auxerre 38, Nantes 35, Marseille 33, Guingamp 32, Lyon 32, Rennes 31, Cannes 29, Lille 29, Le Havre 26, Lens 26, Montpellier 25, Caen 20, Nancy 19, Nice 17.

ITALIAN FIRST DIVISION
Piacenza 0, Roma 0
Standings: Juventus 36, Sampdoria 32, Vicenza 30, Inter Milan 29, Bologna 28, Atalanta 27, Parma 27, Napoli 27, Fiorentina 26, AC Milan 25, AS Roma 24, Lazio 23, Udinese 23, Piacenza 20, Perugia 18, Cagliari 15, Verona 14, Reggiana 10.

TENNIS

ATP RANKINGS

Leading rankings issued by the ATP Tour on Monday in Monaco:

1. Pete Sampras (U.S.) 5,774 points
2. Goran Ivanisevic (Croatia) 3,566
3. Thomas Muster (Austria) 3,492
4. Michael Chang (U.S.) 3,417
5. Yevgeny Kafelnikov (Russia) 3,367
6. Richard Krajicek (Netherlands) 2,371
7. Marcelo Rios (Chile) 2,329
8. Wayne Ferreira (South Africa) 2,221
9. Carlos Moya (Spain) 2,171
10. Thomas Enqvist (Sweden) 2,086
11. Albert Costa (Spain) 2,036
12. Andre Agassi (U.S.) 1,948
13. Boris Becker (Germany) 1,931
14. Todd Martin (U.S.) 1,840
15. Felix Mantilla (Spain) 1,688
16. Tim Henman (Britain) 1,587
17. Stefan Edberg (Sweden) 1,561
18. Magnus Gustafsson (Sweden) 1,537
19. Michael Stich (Germany) 1,516
20. Alberto Berasategui (Spain) 1,477

TRANSITIONS

BASEBALL
MAJOR LEAGUE BASEBALL
AMERICAN LEAGUE

ANAHEIM—Designated RHP Shad Williams for assignment. Added RHP Shigetoshi Hasegawa on their 40-man roster.

NATIONAL LEAGUE

HOUSTON—Agreed to terms with RHP Shane Reynolds on 3-year contract.

MONTREAL—Agreed to terms with RHP Pedro Martinez on 3-year contract.

BASKETBALL
NATIONAL BASKETBALL ASSOCIATION

PORTLAND—Acquired F Stacey Augmon from Detroit Pistons in exchange for G Aaron McKie, G Randolph Childress, and G Reggie Jordan. Put C Arvydas Sabonis on injured list.

UTAH—Suspended F Chris Morris for one game for breaking team rules.

VANCOUVER—Fired Brian Winters, coach. Named Stu Jackson interim coach.

FOOTBALL
NATIONAL FOOTBALL LEAGUE

SAN FRANCISCO—Signed DE Herb Coleman, LB Tom Cavallo, DB John Covington, C Steve Gordon, WR Mark Harris, G Joe Rudolph, WR Curtis Shearer, DB Tyrone Smith, DB Michael Williams, and DE Alan Young to 1-year contracts.

DENNIS THE MENACE

WHEN YOU GET OLD, ARE ALL YOUR DREAMS RE-RUNS?

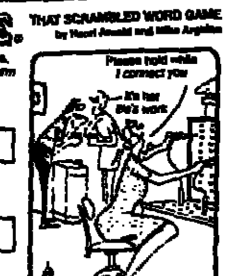
PEANUTS

CALVIN AND HOBBES

JUMBLE
THAT SCRAMBLED WORD GAME

Unscramble these four Jumbles, one letter to each square, to form four ordinary words.

DUJEG
OCKAL
BINLEB
CILAME



Now arrange the circled letters to form the surprise answer, as suggested by the above cartoon.

Print answer here: A [illegible]

(Answers tomorrow)

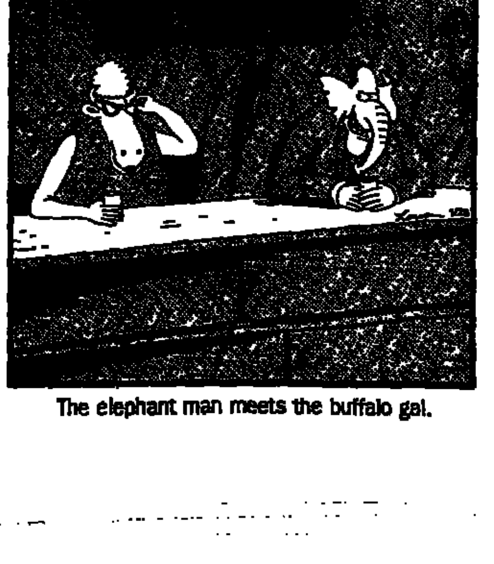
Yesterday's | Jumbles: AHEAD SCOUR SLEEPY FACIAL
Answer: What the youngsters' theatrical production was—CHILD'S PLAY

GARFIELD

WIZARD of ID

BEETLE BAILEY

THE FAR SIDE



The elephant man meets the buffalo gal.

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ART BUCHWALD

Ethics Problems

WASHINGTON — The key word on everyone's lips in Washington these days is "ethics." The word is often used as part of a greeting, as in "Have a nice ethics day," or implied in the question "Did you do something nice for somebody today that wasn't legal?"

Buchwald

Despite what you read, everyone in this town has ethics. Some people have a lot and others have just a teensy bit.

Years ago, nobody inquired about a person's ethics. A member of Congress could violate the ethics code and never be found out.

But in the present world, we must live by the code or risk being reprimanded by our peers.

I have received many inquiries from readers outside the Capital Beltway wanting to know if someone could have an ethical lapse and lose his moral compass at the same time.

The answer to that is, yes, although the people who have done it steadfastly maintain that their staffers made all the mistakes.

To examine "good" ethics, one has to deal with such things as perjury, embezzlement and the shredding of documents subpoenaed by ethics committees.

There is a lot of confusion over ethical standards because one man's stealing in Washington could guarantee another man a standing ovation.

For help on this complicated subject I turned to Jeremiah Jumbo, an ethics professor at Pinocchio State University, who said, "What the American people want more than anything in the world is clean government. In order to achieve this, our representatives in Washington must be prepared to defend their colleagues to the death when they are accused of any wrongdoing."

□

The professor continued. "The trouble with ethics is that everyone makes mistakes. Who are we to say that soliciting illegal funds for one's crusade is good or bad for the country?"

"How does a person decide?" I asked.

"It depends on whose ox is being gored. The rule in Congress is you don't reprimand someone just because he took the IRS for a ride."

"Are you optimistic about the future of the political ethical system in the nation's capital as we know it?"

"*I am if it* doesn't hurt anybody. We Americans play politics by the rules. Then we raise legal funds to defend ourselves when we flout those rules. The worst problem someone like Newt Gingrich has is that he can't call the Democrats crooks without calling the kettle black."

"But do you really think that the system is effective?"

"It is if someone pays the $300,000 himself."

Wildlife at Risk in Zaire

Reuters

GENEVA — The survival of unique animals like white rhinos, mountain gorillas and okapi will be threatened if fighting in Zaire spills over into wildlife reserves, the World Wide Fund for nature said Monday in an appeal to the Zairean government.

Evil and Banality: Berlin Play Stars Eva Braun

By William Drozdiak
Washington Post Service

BERLIN — The setting is Hitler's bunker in April 1945. Outside, the Third Reich is going down in flames as the Allies press their final siege against the heart of the Nazi empire. But inside, a curious calm has settled over the dictator's subterranean abode in the hours before his death.

A platinum blonde has just married the man who exterminated 6 million Jews and nearly destroyed the entire continent. In the short interlude between their wedding and joint suicide, she rhapsodizes about her love for clothes, gourmet meals and the leader who has captivated her ever since they met 16 years earlier at a photographer's studio in Munich.

She reminisces with girlish embarrassment about her first sexual encounter on a sofa with the man she affectionately calls "the Wolf." She pushes aside all dark thoughts about him, enthralled by the dream that when Germany wins the war she will get to star in a Hollywood epic about her life with Hitler — to be played by none other than Clark Gable.

The real Braun, whose portrayal has stirred anger in Germany.

One of the last political taboos has just fallen in the realm of German entertainment — but the event has not been cause for much satisfaction. "Eva — Hitler's Beloved" presents the most sympathetic portrayal ever given on a German stage of Eva Braun, Adolf Hitler's mistress and de facto first lady of the Nazi regime.

Since opening in December, it has become one of the most controversial productions in the history of the Berliner Ensemble, the famous theater group founded in 1949 by Bertolt Brecht with the expressed goal of disrupting bourgeois society.

And in the process, the 90-minute monologue starring Corinna Harfouch, one of Germany's hottest actresses, has antagonized just about everybody.

Feminist groups have been outraged by the suggestion that Braun and her mundane tastes represent the embodiment of German womanhood. But writer Stefan Kolditz and director Stephan Suschke, who conducted exhaustive historical research on their subject, say all they were trying to do was project a faithful image of a simple woman who stood loyally by the side of one of history's cruelest ogres.

They contend that Braun, like many Germans at the time, insisted she never knew about Hitler's heinous crimes and sought to avoid all occasions to know about them. She spent long stretches at their Bavarian mountain retreat, watching films and indulging in material obsessions such as building a vast wardrobe of fancy clothes and expensive shoes. She saw Hitler once or twice a month, but displayed no apparent interest in his politics and never voiced doubts about his policies.

Braun's driving ambition to reach stardom in Hollywood is based on fact, according to Kolditz, who pored over historical archives, private papers and documentary films in studying her life.

"Her career goal was to become an actress and we know that Hitler promised that if he won the war, she would get to travel to Hollywood to play herself in the film about his life," he said.

Suschke acknowledges that the play is "very politically incorrect." He insists, however, that his intention was not to impugn the motives or habits of German women, whether or not they are too inclined to show slavish obedience to the men in their lives.

Rather, he wanted to hold a mirror to the audience and make all Germans question whether they would have acted differently than Braun in demonstrating revulsion toward the crimes of the Nazi leadership. "The point was to make the audience sympathize with her so they would not find it so easy to distance themselves from her," he said.

But German theater critics have been anything but sympathetic toward the play.

"Do we really need conjecture today about the emotional life of a woman who had no importance except as the girlfriend of a mass murderer?" asked a reviewer from Berlin's leading radio station. "The play is basically banal and fundamentally tasteless." The local daily Berliner Morgenpost said: "The monologue is neither funny nor startling, illuminating nor irritating. It doesn't even attempt to show the indefinable figure behind the stuffed bra or the real story behind the doomed bunker."

Corinna Harfouch as Hitler's mistress in Berliner Ensemble play.

Harfouch, who was born in eastern Germany and has won sterling reviews for her most recent roles on stage, screen and television, seems unperturbed that the challenging task of delving into the inscrutable character of Braun has been described by the tabloids as "the flop of her life."

The loud hisses and boos that have accompanied her curtain calls have not dismayed her. If anything, she finds the reaction of theater audiences a reassuring indication of how Germans feel toward Hitler's first lady and the willful ignorance that she represents.

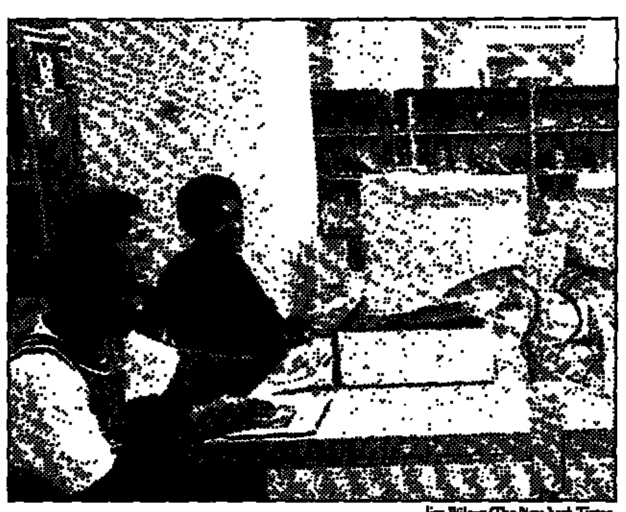
"The audience reaction has been quite appropriate," Harfouch said. "I myself swing between nausea and cloying emotion for this role."

A LIBRARY IN TURMOIL

A Book Is a Book Is a Book? Not in the '90s

By Tim Golden
New York Times Service

SAN FRANCISCO — When the city librarian unveiled the $140 million Main Library here last spring, his metaphor might have been the building's wide, inviting rotunda, filled with new patrons and light and a computer-age promise that the information available would grow ever more abundant — never mind the shelves.



Teens on computers at the new San Francisco library.

Less than a year later, however, the rotunda has become a symbol to the librarian's local critics of a vision skewed: of hapless mismanagement in the design of the new building, of book space sacrificed for computer terminals, of a research sanctuary where love for the humanities and social sciences has become lost in a rush to get online.

The librarian, Kenneth Dowlin, is still considered a leading light in his profession. He is one of two candidates for the next presidency of the American Library Association and an articulate proponent of using communication technologies to create a new kind of public space.

At the triumphant opening of the new library, he seemed a perfect fit for the San Francisco of the future, a self-styled capital of the Information Age.

But this is sometimes a narcissistic city, one that likes to think of itself as having many good sides. And most of those sides, it seems, had imagined a library in their image.

So it was that advocates of a democratic trash-novel mainstream have bumped up against members of the literary elite, and champions of high-tech change have battled library workers in what remains a stubbornly union town. So it was that when Dowlin walked through his rotunda one recent afternoon, it was to announce his forced resignation after nearly a decade in the job.

"I've never enjoyed politics much," the soft-spoken librarian said afterward outside the new Main's Latino/Hispanic Community Meeting Room.

The immediate cause of Dowlin's collapse was acute financial chaos. The public library system, which had seen its budget nearly double to $35.7 million after San Franciscans voted in a 1994 initiative to set aside some of their property tax revenue for its revival, was running $2.8 million short.

To attribute his demise to the deficit would be like blaming some last, bad defenses against the barbarians for the fall of the Roman Empire.

"My real gripe about the San Francisco Public Library is that they were, without any permission from the people, transforming a great research institution into a mediocre popular library, and doing that by throwing books in a landfill," the novelist Nicholson Baker said.

Baker, a sometime resident of Berkeley, across the bay, was recruited to the cause last spring by a traditionalist core of San Francisco librarians. By then, the traditionalists and their union, Local 790 of the Service Employees Union, had moved from fights with Dowlin over mundane issues like staffing levels to a guerrilla campaign against what they saw as a great old library's desecration.

In an article in The New Yorker that rallied the insurgents, Baker described the new Main as a great gray dungeon where a priceless card catalogue was coldly destroyed and defenseless books were condemned to the Discard Room or the "Deselection Chamber."

More than 200,000 books ended up at the dump, he wrote last October, "many of them old, hard to find, out of print and valuable."

In interviews, seven librarians critical of Dowlin's tenure described a different process. They said that for years, the San Francisco Public Library had done very little "weeding" — the practice of purging damaged and less-used books to make room for the new.

In preparation for their move to new quarters, the old Main's librarians sometimes hurried to get rid of unused books, throwing out hundreds that they perhaps should have kept. But the librarians said the scope and the sloppiness of the weeding had been exaggerated.

Although Dowlin was not responsible for financing decisions that left the library without enough room for all the books, city officials said, he did grow detached from its day-to-day operations.

Some signs of a final verdict on Dowlin's library may be seen in the booming growth of its new, working-class patrons and the lines of teenagers who wait patiently for time with its Internet terminals and CD-ROMs.

"It's so sad to be debating books versus computers, when the issues facing San Francisco are of literacy, of immigrant populations," said Peter Lyman, the University Librarian at the University of California at Berkeley. "The public library needs to be a place that helps children learn the basic skills of literacy, that helps immigrants become citizens. Ken was trying to create a sense of political community through technology, and the new library is in many ways successful on those grounds."

PEOPLE

ALL in the (royal) family: **Queen Elizabeth** has agreed to let **Prince Charles** appear with his longtime mistress, **Camilla Parker-Bowles**, on public occasions, the Sun reported Monday. The paper published photographs showing that the prince regularly provides one of his chauffeurs to drive Parker-Bowles to London from her home in Wiltshire, west of the capital. The Sun said that she stayed two or three nights a week at the prince's home at Highgrove, Gloucestershire, and added that the couple intended to appear in public together during the summer vacation. The prince, who was divorced from **Princess Diana** in August, has said he does not intend to remarry. Opinion polls show that the British public opposes the idea of "Queen Camilla."

□

Washington's political pooh-bahs took turns tweaking **President Bill Clinton** at the annual dinner of the Alfalfa Club, The Washington Post reports. Retired General **Colin Powell** may have delivered the best line of the evening. He poked fun at Clinton's recent book, "Between Hope and History," by announcing that Random House would reissue it "as a fire log." Random House is selling "Between Hope and History" to booksellers for $1.50 per copy, making it, the newspaper says, "cheaper than good kindling."

□

There are reports of trouble backstage at Broadway's "Victor/Victoria." Miscues by **Liza Minnelli** led to a backstage tantrum by her co-star, **Tony Roberts**, according to The New York Post and the Daily News. Citing unidentified theater sources, both papers said Roberts stormed out of the theater in a rage over Minnelli's alleged inability to deliver all her lines properly. "Liza has a line that is supposed to be, 'I'm a second-rate hoofer,' but she said instead 'I'm a second-rate hooker,'" the Post quoted a source as saying. "That was too much for Roberts." The actor reportedly is staging a sickout until the show's regular lead actress, **Julie Andrews**, returns from vacation. A spokesman for the play denied the story, saying that there was no trouble on the set and that Roberts was truly ill with the flu. Minnelli has stepped in for a monthlong stint as Andrews' vacation relief to rave reviews and packed houses. It's her first Broadway appearance in 12 years. Andrews is due back next week.

GOOD KNIGHT — Theo Waigel, the German finance minister, who was awarded a medal against deadly seriousness for the Aachen carnival.

□

King Hussein of Jordan is out of the hospital after undergoing minor surgery to remove cartilage in his left knee. The king, 61, "is in an excellent shape and he will resume his activities immediately," his physician said in Amman.

□

Dan Rather's suitcase for going on assignments must be the size of a steamer trunk. The CBS anchorman told TV Guide his minimal bag contains: "Two suits, three dress shirts, half a dozen neckties, two work shirts, a bush jacket, blue jeans, waders, a sweater, a windbreaker, thermal underwear, un-thermal underwear, a poncho, a parka, a trench coat, a tuxedo, gloves, lace-up boots, sneakers and dress shoes." And that's just clothing. It also holds "a canteen, a light-weight hammock, Leatherman tools, canned goods, granola bars and Tabasco sauce. And, oh yes, toothbrush and toothpaste."

□

The Sundance Film Festival's grand jury prizes went to the drama "Sunday," directed by **Jonathan Nossiter**, and the documentary "Girls Like Us," directed by **Jane Wagner** and **Tina DiFeliciantonio**. More than 127 feature films and 56 short films were shown to the 10,000 visitors during 10 days of viewing at the Utah festival, which has become a premiere showcase of independent cinema. . . . **Alejandro Amenabar's** thriller "Tesis," about television violence and pornography, won best film at the Goya film awards in Madrid, beating the favorite, **Pilar Miro's** version of the 17th-century story "El Perro del Hortelano."

eyes are smiling.

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